

LATIN AMERICA IN THE TWENTY-FIRST CENTURY: REASSESSING THE
UNITED STATES – LATIN AMERICA RELATIONSHIP THROUGH EXAMINING
REGIONAL STABILITY

by
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Abstract

As the world recognizes Latin America's footprint in the 21st century, the United States should rebalance priorities toward forming stronger relations with its neighbors in the Western Hemisphere. U.S. relations with Latin America have become increasingly complex, as on the one hand, the United States is actively battling illegal immigration, gang violence, drug trafficking, and anti-democratic ideologies, and on the other hand, the United States is passively accepting China's aggressive shift towards Latin America's natural resources. The purpose of this thesis is to identify how the United States should reassess relations with Latin America. This thesis establishes solid reasoning that Latin America is gaining international momentum in the 21st century, through increasing natural resource trade, intensifying the transnational organized crime operations, and maintaining relations with terrorist organizations. Globalization has permitted Latin America to slowly break away dependency from the United States and to form nascent relations with developing states.

Collectively, all three chapters observe distinct characteristics within Latin America and identify whether U.S. interests are impacted, and if so, how the United States should respond. The first chapter evaluates how a seemingly rogue state can affect a regional hegemony. The case study chosen to examine this question was the relationship between Venezuela, under President Hugo Chavez, and the United States. Currently, the United States is solely interested in Venezuela's oil. Attempting to threaten U.S. economic, democratic and security interests, Chavez supported terrorist organizations, promoted anti-democratic ideologies, and directly supported anti-

American endeavors. Through examining Venezuela, this chapter determined the United States should decrease dependency on Venezuelan oil, as oil revenues gained are directly funneled back into Venezuela's corrupt leadership. Additionally, the United States should continue intelligence assessment and monitoring on Venezuela's relationships with terrorist organizations and suspicious activities.

The second chapter examines the effectiveness of U.S. military missions in Central America, primarily Honduras. Through first understanding the history between the United States and Honduras, this chapter dissects three U.S. current operations in Honduras: 1) medical 2) mutual training 3) counter transnational organized crime. Honduras has become one of the most dangerous countries in the world, battling an increasing annual homicide rate, and infiltrated with drug trafficking, youth violence, and government corruption. This chapter concludes that it is more cost beneficial for the U.S. military to reduce its presence in Honduras and to continue operations from stateside bases.

Finally, the third chapter changes directions from the first two chapters by highlighting China's recent attention in Latin America. China's booming economy and heavy industrialization has prompted China to tap into natural resources from around the globe, in order to maintain resource nationalism from within. Latin America's abundance in natural resources attracts Chinese investors and opens trade routes that did not previously exist. China's increased financial presence in the Western Hemisphere is healthy for Latin American economies, which presents a twofold reality for the United States. Specifically, this makes for a more stable Latin America, thereby reducing migration and drug cartels and diminishing the current influx of socialist ideologies.

Within this thesis, each chapter focuses on a case study to examine how the United States should either reassess relations or respond to Latin America's evolution through globalization. Ultimately, this paper will delve into how Latin American countries affect U.S. democratic, economic and security interests. Through examining U.S.—Latin America relations and the influence of emerging markets in Latin America, the findings identify that the United States should not take a regional approach, but instead, consider each Latin American country independently. Although intertwined with similar issues, each country faces internal challenges; the United States should ensure future policies pertaining to those specific issues take actions that will further U.S. democratic, economic and security interests.

Readers/Advisors: Leila Austin, PhD; Kathy Wagner Hill, PhD; Mark Stout, PhD

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THESIS INTRODUCTION

The United States should rebalance priorities toward forming stronger relations with its Western Hemisphere neighbors. Demonstrated throughout the history of the Western Hemisphere, an increasing transnational organized crime, emerging trade with China, and engagements with anti-American leaders, Central and South America directly impact the United States through political, economical, and military means. As the nearest neighbor to the United States, Latin America remains and will remain an area of critical interest.

Background – U.S. & Latin America

Since the early 20th century when U.S. military units were dispatched to Panama, the United States established unified objectives in Latin America. During World War II, the United States formed the U.S. Southern Command (USSOUTHCOM) headquarters, focusing on the Caribbean and Central and South America. Throughout this paper, Latin America represents twenty sovereign states which cover an area that stretches from the southern border of the United States to the southern tip of South America, including the Caribbean. Encompassing approximately one-sixth of the land mass of the world, it includes 31 countries and 15 areas of special sovereignty.

Throughout the post-Vietnam military drawdown, political tensions heightened regarding U.S. engagement with Latin America. From the 1940s to the 1980s, the United States supported nations who opposed the Union of Soviet Socialist Republics (USSR)

and built alliances to avoid further revolutions in Latin America. The United States set out to reform economic structures and facilitate modernization, built anti-left unions to counter communist and socialist unions, supported military counterinsurgency and training. Operations survived and into the 1980's, internal conflicts with El Salvador, Nicaragua, Honduras, and elsewhere rekindled U.S. military interests in Latin America. Throughout the years, U.S. interests in Latin America have undergone periods of dramatic change, where now U.S. military operations are focused on counter-drug operations and humanitarian missions.

Brazil is now an emerging middle power in itself, with the seventh largest GNP in the world.¹ Venezuela, Brazil, and Mexico produce over 200 million barrels of oil per day. Cuba, considered a power center in its own right, remains a communist nation. Moreover, Venezuela, Ecuador, Peru, Colombia and Bolivia during the Panama Canal negotiations, the Nicaraguan Revolution, and the 1979 Bolivian crisis have shown a capacity to play a concerted, distinctive and constructive role in hemispheric politics.²

In a March 2014 Posture Statement to the House of Armed Services Committee, the USSOUTHCOM Commander stated, “While other global concerns dominate the headlines, we should not lose sight of either the challenges or opportunities closer to home. In terms of geographic proximity, trade, culture, immigration, and the environment, no other part of the world has a greater impact on our daily life in our country than Latin America and the Caribbean.”³ Therefore, in efforts to support U.S.

¹ GDP. *The World Bank*. August 25, 2014.

² Stepan, Alfred. “The United States and Latin America: Vital Interests and the Instruments of Power.” *America and the World 1979. Council on Foreign Relations*. Foreign Affairs.

³ General John R. Kelly. Posture Statement. House Armed Services Committee. February 26, 2014.

natural security interests, foster security, stability and prosperity in the Americas, the United States maintains the following four priorities throughout the region: 1) economic growth, both for LAC and for U.S. competitiveness; 2) contingency response and humanitarian operations; 3) building partner – military capacity; 4) countering transnational organized crime.

This thesis will show the United States should reassess relations with Latin America and become more responsive to human security concerns and intensify efforts to strengthen states across the Western Hemisphere. This paradigmatic shift, which promotes U.S. interests, must include a far greater emphasis on multilateral approaches and U.S. public support.

Case Selection & Thesis Logic

Three case studies are performed throughout this thesis, where each study analyzes distinct characteristics within Latin America and identifies whether U.S. interests are impacted. First, in order to show how a small rogue state can affect a regional hegemony, Venezuela was selected, under Hugo Chavez leadership, and the United States as a case study. Chapter one will show how Chavez threatened U.S. economic, democratic and security interests by supporting terrorist organizations, promoting anti-democratic ideologies, and supporting anti-American endeavors. Second, chapter two reviews U.S. military operations in Central America and chose operations executed in Honduras as the case study. Specific operations are examined, in which the United States engages in Honduras and concluded which operations ultimately furthered

U.S. mission overall. Lastly, chapter three identifies China's 21st century quest in extracting natural resources from countries where trade relations were non-existent ten years prior. Chapter three selects China's emerging interest in Latin America's natural resources and concludes how China's growing presence in the Western Hemisphere affects the United States. Jointly, all three case studies identify how U.S. interests are affected and whether the United States should respond.

Chapter One – Venezuela

Chapter one of this thesis seeks to evaluate the extent to which Chavez's policies harmed U.S. interests and determine if the effects of the policies conformed to Chavez's rhetoric. First, the following research examines the conditions under which a small rogue state could affect a regional hegemon's core interests. This chapter explores whether small and weak states can affect regional stability. Next, U.S. interests in Latin America are analyzed to determine if a regional state has the means and motivation to counter those interests, by examining the primary U.S. interests in Latin America that, if compromised, could jeopardize U.S. national security. Further, a study of Venezuela is performed, focusing on the United States' democratic, economic, and regional stability interests to interpret what future effect - if any - Venezuela posed to U.S. interests under dictator Hugo Chavez. Ultimately, chapter one highlights how Hugo Chavez's policies affected U.S. interests within Latin America.

In efforts to counter drug trafficking, the United States seeks to prevent drug trafficking in destinations where drugs are destined for the United States. According to

the Drug Enforcement Administration (DEA), traffickers are found transporting Colombian heroin, often via Venezuela, to Puerto Rico for onward shipment to Miami, New York, and Houston. Not only are these smuggling routes used for solely drugs, but criminal networks move just about anything on these trafficking pipelines. This represents a potential vulnerability that could be exploited by terrorist groups seeking to harm the United States. Supporters and sympathizers of Lebanese Hezbollah are involved in both licit and illicit activities in Venezuela, including drug trafficking. Additionally, money, like drugs and people, has become mobile; it is easier to move than ever before, and the vast global illicit economy benefits both criminal and terrorist networks alike. Clan-based, Lebanese Hezbollah- associated criminal networks exploit free trade zones and permissive areas in places like Venezuela.

The United States maintains support for democracies in Latin America, and seeks to encourage reform of states that develop anti-democratic ideologies and policies. Chavez's policies and posturing caused U.S. policy-makers to question his regard for democratic governance. Chavez repressed Venezuelans' rights and liberties, and unfortunately, his replacement, President Nicolas Maduro, continues in Chavez's direction. Within the Western Hemisphere, Venezuela's political transformations do not directly affect U.S. democracy nor does it have a discernible effect throughout the region. Although Chavez influenced the region and Maduro continues to try to export socialist ideologies to neighboring countries, the United States remains optimistic that Latin America will ultimately reject the government of Venezuela's rhetoric, as the majority of the Western Hemisphere aspires for free trade, democracy and citizen equality.

Furthermore, chapter one analyzes Venezuela's dependency on oil sales from the United States. Revenue generated from exporting oil to the United States was funneled back into Venezuela's corrupt governance. The United States continued importing oil from a country whose leadership publically defamed America's values, principles and direction. Close examination of Venezuela's economic reforms lead to determining the United States should reconsider importing oil from Venezuela. Moreover, Chavez's partnership with Cuba and establishment of the Bolivarian Alternative for the Americas (ALBA) displayed potential threats towards U.S. hegemony in Latin America.

Lastly, chapter one evaluated Chavez's teamwork with international leaders who had the capability to significantly negatively affect U.S. interests, such as Iranian President Mahmoud Ahmadinejad. However, less direct threatening relationships included Cuban President Raul Castro and Syrian President Bashar al-Assad. The potential national security threats Chavez posed to the United States were hypothetical and limited.

Chapter Two – Honduras

Chapter two of this thesis will discuss the efficacy of U.S. military missions in the key sub-region of Latin America, Central America, decisions can be made as to whether to continue, cancel, or alter U.S. policy in the region. The United States has adopted a strategy using interagency coordination to approach regional issues of security and stability. Chapter two examines whether U.S. presence in Central America, using Honduras as the case study, strengthens implementation of the U.S. Southern Command Strategy in accordance with the U.S. National Security Strategy. First, the chapter

studies the U.S.–Central America relationship and identifies the importance of strengthening a regional security strategy. The chapter then goes on to detail the transnational organized crime and drug-related challenges in Central America by discussing whether the region poses a significant threat to U.S. national and international security.

Further, chapter two explains why Honduras became a vital ally for the United States since the 1980s and specifically Honduras' strategic function within Central America. Lastly, the chapter will address whether there have been improvements in Honduras due to current U.S. operations in-country as well as explore how U.S. resources in Honduras contribute to Central America's overall regional stability.

After analyzing U.S. military operations in Honduras, findings determined the efficient use of resources, especially during an era of austerity budgets for the United States, the military's decision to remain postured in Honduras must be reevaluated. Counter transnational organized crime efforts can continue to remain aligned with counterterrorism objectives without being physically based in Honduras. The United States can still maintain vigilance in monitoring and guarding against an opportunistic or growing nexus between foreign terrorist organizations and transnational organized criminal without a heavy U.S. military presence in Honduras.

Chapter Three – China & Latin America

Changing directions from the previous chapters, the third chapter of this thesis delves into China's recent obsession with Latin America's natural resources. Chapter

three seeks to evaluate how the United States should respond to China's aggressive achievements towards becoming a developed nation by expanding into Latin America's doorstep. Chinese engagement in Latin America is focused primarily on economics, but it uses all elements of national power to achieve its goals. Major investments include potentially \$40 billion to construct an alternative to the Panama Canal in Nicaragua and \$3 billion to Costa Rica and Caribbean nations for myriad infrastructure and social development projects. China is the single biggest source of financing to Venezuela and Ecuador, due to China's thirst for natural resources and contracts for Chinese state-owned companies. Chinese companies hold notable investments in at least five major ports and are major vendors of telecommunications services to 18 nations in the region. In the defense realm, Chinese technology companies are partnering with Venezuela, Brazil, and Bolivia to launch imagery and communications satellites. Additionally, China is gradually increasing its military outreach, offering educational exchanges with many regional militaries. In 2013, the Chinese Navy conducted a goodwill visit in Brazil, Chile, and Argentina and conducted its first-ever naval exercise with the Argentine Navy. Furthermore, Chinese arms sales to regional militaries have more than quadrupled since 2010, while the frequency of high-level Chinese visits have also increased substantially. Although China's strategy with engaging relations with Latin America is centered on natural resources, the United States should maintain vigilance with China's increased engagements in the military realm.

Chapter three will examine why China has targeted natural resources in Latin America and the Caribbean (LAC) and the way in which China's raw material scarcity, combined with a rampant population and industrial growth, is of grave concern to

China's populace and countries relying on products produced in China. By exploring the dominant LAC countries exporting natural resources to China and analyzing how the future of the commodities will yield fruits of growth for these countries, the United States will be in a position to assist China's quest in LAC or stand aside. Ultimately, this chapter will highlight how LAC's natural resource endowments are vital to its economic growth and its economic relationship with China.

Through researching China's natural resource going-out strategy in Latin America, it was concluded the health of Latin America's natural resources is as important for the United States as it is for China. However, where China and the United States differ is due to inherent geography. The United States should enhance trade with LAC, in order to secure more job security in Latin America. The United States and Latin America share the Western Hemisphere and have other mutual interests besides economic trade alone. Specifically, the United States must ensure that security, immigration and trade do not threaten U.S. national security interests. By increasing trade with LAC and enabling job security, it is likely less Latin Americans will illegally migrate to the United States and probable that transnational organized crime will reduce.

Conclusion

Each chapter within this thesis discusses how Latin America's future affects U.S. interests towards developing a stronger economy, maintaining regional security, and sustaining democratic policies. Latin American countries are largely at peace with one another and with the United States, therefore, conventional military threats from the

region remain low. However, nations throughout the hemisphere are contending with asymmetric threats to national and international security. Chapter one shows a positive and open relationship between Venezuela and the United States would have mutually benefited both countries; however, Venezuela's leadership chose to attack, verbally and through anti-American ideologies, the United States. Therefore, the United States should remain watchful for the potential impact of activities of violent extremist organizations and implications of the activities of nations, such as Iran, within the region. Chapter two identifies that Honduras continues illegal trafficking and transnational organized crime, which directly results in an instable Central America. Finally, chapter three explores China's sought interest in Latin America's natural resources and delivers hope that a developing nation recognizes Latin America's potential and has decided to take risk by opening new relationships.

CHAPTER ONE: HOW A SMALL ROGUE STATE CAN AFFECT A REGIONAL HEGEMONY

Introduction

Nestled in the northern point of South America and bordered by Colombia, Brazil, Guyana, the Caribbean Sea and the Atlantic Ocean, Venezuela is a strategically located and highly influential Latin American country with a leading petroleum industry. From 1999 to 2013, Venezuela was ruled by the socialist-leaning and anti-American President, Hugo Chavez. As the world's eleventh-largest oil producer, Venezuela is also the fourth-largest supplier of oil to the United States.⁴ Capable of fixing oil costs to inflate fuel prices for Americans, Chavez used influence to increase U.S. dependency on Venezuela. Also, Chavez directly violated United States and NATO demands ranging from human rights violations to supporting countries sanctioned by the United States, such as Syria and Iran.⁵ In fact, Chavez developed and maintained a close relationship with former Iranian President Mahmoud Ahmadinejad when tensions were escalated between the United States and Iran.

Venezuela became the primary entry point to the Western Hemisphere as anti-American countries expanded footprints into the region. This chapter argues that Venezuela, under Chavez's leadership, affected the United States by strategically increasing U.S. dependence on foreign oil, where gained revenues directly funded government corruption. By 2013, Venezuela possessed more modernized weapon

⁴ Top World Oil Producers, 2010. Independent Statistics and Analysis. *UNITED STATES Energy Information Administration*.

⁵ Johnson, Keith and Solomon, Jay. "To Power Syria, Chavez Send Diesel." *The Wall Street Journal*. July 9, 2012.

systems than any other country in Latin America.⁶ Furthermore, Chavez vocalized his opposition towards the United States. Specifically, when welcoming Ahmadinejad to Venezuela in 2007, Chavez called for “an anti-imperialist military alliance against U.S. dominance...The enemy is the same: the empire of the U.S...Anyone who messes with one of us will have to mess with all of us, because we will respond as one.”⁷ After U.S. diplomats were murdered in the Benghazi, Libya attack on September 12, 2012, the Venezuelan foreign minister was quick to blame the attack on “colonialist aggression” and demanded an “end to interventionism and campaigns of hatred against Arab and Muslim peoples.”⁸ These characteristics raised concerns whether Chavez’s actions were to maximize Venezuela’s security and profit or whether they were intended to be hostile toward the United States.

This paper seeks to evaluate the extent to which Chavez’s policies harmed U.S. interests and determine if the effects of the policies conformed to Chavez’s rhetoric. First, the following research examines the conditions under which a small rogue state can affect a regional hegemon’s core interests. This chapter explores whether small and weak states affected regional stability. Next, U.S. interests in Latin America are analyzed to determine if a regional state had the means and motivation to counter those interests, by examining the primary U.S. interests in Latin America which, if compromised, jeopardized U.S. national security. Further, a study of Venezuela is performed, focusing on the United States’ democratic, economic, and regional stability interests to interpret

⁶ Rowan, Michael and Schoen, Douglas. “Hugo Chavez and the War Against America: The Threat Closer to Home.” *Free Press*. January 2009. p12.

⁷ “Chavez Urges Allies to Pool Defenses.” *The Boston Globe*. January, 28, 2008.

⁸ Walser, Ray. “Time is Ripe for U.S. Policy to Address Anti-Americanism in Latin America.” *The Heritage Foundation*. No. 3740. September 24, 2012.

what future effect – if any – Venezuela posed to U.S. interests. Ultimately, this chapter will highlight how Hugo Chavez’s policies affected U.S. interests within Latin America.

How Small Rogue States Can Affect Stability

In order to determine whether the United States should alter its foreign policy or utilize resources to counter small rogue states opposing U.S. interests, one must first define a rogue state, and second examine if small states can in fact affect regional stability, which is usually produced by some form of regional hegemony.

First, the traditional definition of a rogue state pertains to violations of state sovereignty. Article 2 of the United Nations charter stipulates that all member nations shall “refrain in their international relations from the threat of use of force against the territorial integrity or political independence of any state.”⁹ Previous U. S. administrations have defined rogue states by the pursuit of WMD, the use of terrorism as an instrument of state policy, and constitution of a regional threat to important U.S. interests. For example, former President Bush viewed a rogue state as the chief threat to global order, and his foreign policies aimed either to alter the behavior of rogue states, or eliminate those regimes that refused to play by his rules. Robert Litwak, in his book *Rogue States and U.S. Foreign Policy*, stated that rogue states are derived from realist criteria relating to external behaviors, versus their domestic policies. Litwak argued that each U.S. policy should be dependent on the target state, versus a one-size-fits-all approach to rogue states. He believed the following factors should be used to assess target state behavior across domestic, regional, and international levels of analysis: the

⁹ Litwak, Robert. “Rogue States and U.S. Foreign Policy.” Woodrow Wilson Center Press. February 14, 2000. p245.

target state's historical background, the character of the regime and its leadership, the regime's declaratory policy and ideology, its recent foreign policy behavior, the international environment within which the target state exists, and the domestic context within the target state and the potential for a favorable political evolution. Over the years, the definition of rogue has become increasingly muddled. For these reasons, this paper defined Venezuela as small rogue state based on Litwak's factors..

Second, the United States, since the Monroe Doctrine, has been the primary regional hegemon in the Western Hemisphere. Although the past three decades have seen the ascendancy of smaller regional hegemons, such as Brazil, U.S, economic and military might continues to dominate in the Western Hemisphere.¹⁰

Some scholars argue that hegemonic states cannot lead unless smaller and weaker states follow.¹¹ In fact, small and weak states “balance against the powerful states and pursue compromise strategies such as binding the leading state to regional and global institutions.”¹² In other words, a state becomes or remains the hegemonic power based on the governmental and economic developments of neighboring regional states. For example Russia remains the greatest economic and military power in the region because of the former Soviet Republics or Eastern European satellite states.¹³ Specifically, Estonia and Ukraine balance against Russia, and Kazakhstan balances with Russia, for the following reasons: Estonia has the weakest economic and military power yet is a liberal nationalist democracy; Ukraine has a strong economic and military power,

¹⁰ Tulchin, Joseph S. “Hemispheric Relations in the 21st Century.” *Journal of Interamerican Studies & World Affairs*. Spring. Vol, 39, Issue 1 (1997): 33.

¹¹ Jesse, Neal and Lobell, Steven and Williams, Kristen. “Beyond Great Powers & Hegemons: Why Secondary States Support, Follow, or Challenge.” *Stanford University Press*. (2012).

¹² *Ibid.* 175.

¹³ *Ibid.* 175.

however, the government borders from being liberal nationalist democracy to neo-communist depending on what ideological type of leader is in power; Kazakhstan is a neo-communist authoritarian regime that bandwagons with Russia.¹⁴ Moreover, Russia's close proximity and relationship with China's has lead to increased economic and military power, due to aligning regional security interests. Russia's hegemony in the region is directly related to the balancing against neighboring states, such as Estonia and Ukraine, and bandwagoning, such as Kazakhstan and China.

Other scholars have established that "states prefer to balance rather than bandwagon," meaning a state has more power through an alliance of other states, rather than following the regional hegemon.¹⁵ Alliances can be powerful and effective whether or not members are located in the same region. Due to globalization and technological advances, states can strategically align with other nations regardless of geographic separation. Within Latin America, the United States experienced opposition from Guatemala in 1954 and Chile in 1973; however, those countries acting alone were powerless to resist U.S. dominance.¹⁶ On the other hand, Cuba and Argentina were successful at resisting the U.S. hegemon with support from Brazil and the Soviet Union during the 1960s.¹⁷ Although the United States attempted to counter such resistance, at least in the case of Cuba, its efforts were unsuccessful, due in large part to Cuba's alliance with the former Soviet Bloc. Soviet assistance to Cuba through trade and military investment ultimately resulted in the transfer of nuclear weapons to the Western Hemisphere, within miles from the U.S. border.

¹⁴ Ibid. p175.

¹⁵ Mares, David. "Middle Powers under Regional Hegemony: To Challenge or Acquiesce in Hegemonic Enforcement." *International Studies Quarterly*. Vol. 32. No 4. December, 1988. p454.

¹⁶ Ibid.

¹⁷ Ibid.

There are numerous other examples of regional hegemony. For example, in East Asia, China is the undoubted regional hegemon.¹⁸ Such hegemony can either be strengthened or weakened by the smaller states within the region, such as Japan, and Taiwan. Japan and Taiwan usually act as counter-weights in balancing U.S. regional interests in East Asia against those of China.¹⁹ Taiwan individually may not threaten China; however, Japan's partnership with Taiwan could weaken China's hegemonic power in East Asia. China is the hegemon because of trade, investment, and educational ties with the United States, European Union, Japan and Taiwan, all of which are governed by liberal democratic orders. China cannot afford to take an aggressive stance against a liberal democratic order or jeopardize the trade and investment these countries provide. In addition, Japan provides a military home for the United States in Asia and aids to the U.S. economy by maintaining the United States as their number one trading partner. Moreover, both Japan and Taiwan have an advanced military, which is important because this provides the ability to guard economic resources, such as controlling raw materials, protecting sources of capital, and insuring a competitive advantage in the production of highly valued goods.²⁰

The United States is determined to stop the spread of nuclear weapons and secure nuclear arsenal. As the top priority for U.S. national security, President Obama stated, "there is no greater threat to the American people than weapons of mass destruction, particularly the danger posed by the pursuit of nuclear weapons by violent extremist."²¹

¹⁸ Clark, Ian. "China and the United States: A Succession of Hegemonies?" *International Affairs*. 87:1 Blackwell Publishing Ltd. 2011. p13.

¹⁹ Ye, Min. "The U.S. Hegemony and Implication for China." *Princeton University*.

²⁰ Jesse, Neal and Lobell, Steven and Williams, Kristen. "Beyond Great Powers & Hegemons: Why Secondary States Support, Follow, or Challenge." Stanford University Press. 2012. p195.

²¹ Obama, Barack. "National Security Strategy." May, 2010. p4.

Since the establishment of a Nuclear Weapons Free Zone by the 1967 Treaty of Tlatelolco, Argentina, Brazil, and Mexico have built seven nuclear power plants, with Venezuela starting to explore the possible development of a nuclear energy program of its own.²² Several Latin American countries are developing militarily, economically, and technologically, which may lead to a nuclear country within the region. Although Latin America remains a nuclear weapons free region, countries, such as Brazil and Venezuela, have recently increased uranium enrichment. Should small states, such as Venezuela, Cuba, and Ecuador combine resources with more powerful states, such as Mexico and Brazil, to acquire nuclear weapons, they could attempt to balance against the regional hegemon.

Latin American Interests

Within the Western Hemisphere, the United States has taken measures, although discreet, to ensure national security. In 1962, President John F. Kennedy was the first and only U.S. president to enter into hostile negotiations against a state prepared to use nuclear weapons against the United States, known as the Cuban Missile Crisis. Nikita Khrushchev and Fidel Castro both shared communist ideologies and were defiant against the United States. Using Cuba's proximity to the United States, the Soviet Union was capable of firing nuclear missiles with a range of one thousand miles.²³ The Cuban Missile Crisis marked a period where the United States was quickly forced to accept the importance in ensuring security within the Western Hemisphere.

²² Barshefsky, Charlene and Hill, James. "U.S.-Latin America Relations: A New Direction for a New Reality." *Council of Foreign Relations*. Independent Task Force Report. No. 60. 2008. p55.

²³ Ambrose, Stephen and Brinkley, Douglas. "Rise to Globalism: American Foreign Policy Since 1938." Penguin Books Ltd, 9th edition, 2011. p182.

The Iran-Contra Affair is another event where the United States encountered troubles with their Western neighbors. In 1980, President Ronald Reagan was faced with American-hostages and the cruel torturing of a CIA agent by terrorists. Simultaneously battling Communists in Central America, particularly the Sandanistas in Nicaragua, Reagan tried to rebuild relations with Iran by overcoming the American hostage crisis. Reagan secretly sold American arms to Iran and diverted the profits to the Contras in Nicaragua, which became Nicaragua's primary source of funding for six years.²⁴ Overthrowing the Sandinistas in Nicaragua, the United States invested resources and jeopardized integrity to maintain stability in Latin America.

U.S. interests in Latin America extend into present-day examples as well. The United States' primary concern regarding Latin America today encompasses a variety of criminal enterprises, including narcotic trafficking, money laundering, alien smuggling, human trafficking, kidnapping, and arms and counterfeit goods smuggling, as well as rooting out extremist groups such as Revolutionary Armed Forces of Colombia-People's Army (FARC).²⁵ Over the past ten years, the United States has spent billions of dollars and contributed training and military resources to combat drug trafficking in the region. Although U.S. interests in Latin America have evolved over time, the United States continues to serve as the region's hegemony.

Democratic Interests in Latin America

The United States uses diplomatic efforts to advance democracy through international relations. Expounding on human rights, citizen's freedom, and fair

²⁴ Ibid. p328.

²⁵ "Rethinking U.S.-Latin American Relations: A Hemispheric Partnership for a Turbulent World." Report of the Partnership of the Americas Commission. *The Brookings Institute*. November 2008.

elections, the United States seeks to maintain a democratic Latin America. However, one exception stands since 1965: Cuba has remained a communist state and continues to be labeled a U.S. adversary.

According to the 2010 U.S. National Security Strategy, President Barack Obama remarked, “through an aggressive and affirmative development agenda and commensurate resources, we can strengthen regional partners to advance democracy.”²⁶ Therefore, the United States maintains support for democracies in Latin America, and seeks to encourage reform of states that develop anti-democratic ideologies and policies. Since the 1970s, many Latin American countries have worked to establish and strengthen democratic systems and develop fledgling economies.²⁷ However in many Latin American countries the state controls only part of the territory, such as in Colombia and Guyana.²⁸ In such countries, armed groups or indigenous peoples effectively control large swaths of territory.

President Kennedy, recognizing it essential for the Americas to adopt democracy and free markets, took a stand against the Soviet Union and Cuba in the 1960s to deter communism. In the 1980s, Henry Kissinger and Ronald Reagan actively supported a democratic Latin America by structuring foreign policy and foreign aid around establishing freedom and democracy. In fact, during a presidential address to the United States in 1984, Reagan declared, “Central America is a region of great importance to the United States. And it is so close: San Salvador is close to Houston, Texas, than Houston is to Washington, DC. Central America is America. It’s at our doorstep... we can and we

²⁶ Obama, Barack. “National Security Strategy.” May, 2010. p15.

²⁷ Taylor, Paul D. “Latin American Security Challenges: A Collaborative Inquiry from North and South.” *Naval War College Newport Papers*. 2004. p16.

²⁸ *Ibid.* p17.

must help Central America. It's in our national interest to do so, and morally it's the only right thing to do."²⁹ In eight years, the Reagan administration delivered \$3.2 billion in economic and military aid to Central America.³⁰ Initially focusing on El Salvador, the Reagan administration attempted to instill a stable democracy; however, El Salvador became completely dependent on U.S. aid, rather than developing a healthy government or economy. Eventually, Costa Rica, El Salvador, Guatemala and Honduras adopted a democratic system, although certain scholars ascertain those countries remained a "totalitarian dungeon" rather than resembling a democratic nation.³¹ During the 2012 Nicaraguan elections, the media forecasted the event to be the last time citizens will be able to elect their authorities, if President Daniel Ortega continues to promote the process of electoral "Cubanization."³² Nevertheless, Central America has remained a democratic region, and although it has been a sluggish process, the region has reduced bloodshed and political conflict by instilling citizen rights and strengthening their democratic systems.

One area targeted for reform is pervasive and crippling corruption, which prevails in several Latin American countries. Poverty, crime, drug cartels and overall corruption continues to plague Central America, specifically Honduras, Guatemala, and El Salvador. As the United States continues to engage with Latin America, diplomatic and political leaders promote true democracy carefully. It is essential for the United States to support a democratic Western Hemisphere without dictating specific policies and agendas only to benefit U.S. interests. A strengthened democratic Latin America bolsters U.S. national security.

²⁹ Reagan, Ronald. "Address to the Nation on United States Policy in Central America." May 9, 1984.

³⁰ Orenstein, Mitchell. "Winning in Central America?" *The Harvard Crimson*. May 9, 1988.

³¹ Lowenthal, Abraham. "Elections and Democracy in Central America." *Foreign Affairs*. Fall, 1989.

³² Central America. White House Alert. Rapid Response. *U.S. Department of State. Bureau of Public Affairs*. November 2, 2012.

Economic Interests in Latin America

Generally, the United States seeks to capitalize on its resources to grow the U.S. economy and ultimately reduce trade imbalances with other countries. U.S. economic interests are relatively similar in Latin America as in the rest of the world. In fact, President Obama remarked in his national security strategy speech, “America is dependent upon overseas markets to sell its exports and maintain access to scarce commodities and resources,”³³ specifically promising to “integrate markets in the Americas, advance economic inclusion, and promote clean energy.”³⁴

First, the United States is the world’s largest oil consuming country, importing 30 percent of its oil from Latin America.³⁵ The U.S. dependency on Latin America’s oil is crucial for maintaining steady oil prices for Americans. Latin America contains four of the top fifteen countries that export crude oil to the United States: Mexico, Venezuela, Colombia, and Ecuador.³⁶ Since the 1990s, oil production has increased by almost 50 percent in Argentina, Bolivia, Brazil, Colombia, Ecuador, Peru, and Venezuela. The Middle East maintains the largest amount of remaining oil reserves in the world, at roughly 820 billion barrels, yet annual crude oil imports are about the same between Mexico and Saudi Arabia.³⁷ Strengthening partnerships with Latin American countries is critical in order for the United States to minimize its cost of importing oil.

By pursuing trade liberalization, the United States has implemented comprehensive bilateral trade agreements within Latin American countries, which has bolstered the U.S.

³³ Obama, Barrack. “National Security Strategy.” May, 2010. p15.

³⁴ Ibid. p44.

³⁵ Petroleum and Other Liquids. Company Level Imports. *U.S. Energy Information Administration*. Accessed on October 7, 2012.

³⁶ Ibid.

³⁷ Ibid.

economy as well as Latin American economies. These include the North American Free Trade Agreement (NAFTA), the Dominican Republic-Central America-United States Free Trade Agreement (CAFTA-DR), and bilateral Free Trade Agreements (FTA) with Chile and Peru.³⁸ Additionally, Latin America is the largest U.S. regional trade partner and has made progress in “trade liberalization, reducing tariffs significantly and entering into their own regional agreements.”³⁹ As the fastest growing regional trade partner with the United States, Latin America’s economy depends heavily on both U.S. imports and exports.

Security Interests in Latin America

In order to ensure a stable and secure United States, its interests in Latin America entail: dismantling transnational threats, such as terrorism, international criminal cartels, and continuing counter-narcotic missions. Recent interests in transnational threats are based off the premise that the Western Hemisphere may serve as a harbor for terrorist organizations.

As terrorists expand their borders and non-state actors advance strategically, the United States must be adequately equipped to defend its borders and protect the American people. Specifically, securing a 2,000 mile U.S.-Mexico border, the United States is continuously engaged in combating trafficked narcotics, human trafficking, and illegal immigration. An insecure U.S.-Mexico border could provide access for terrorists into the United States. In addition, U.S. territories, such as Puerto Rico and the British Virgin Islands, could create entry points into the United States for radical extremists. The

³⁸ Export.gov. *U.S. Free Trade Agreements*. Accessed on October 25, 2012.

³⁹ Hornbeck, J.F. “U.S.-Latin America Trade: Recent Trends and Policy Issues.” *Congressional Research Service*. February 8, 2011. p98-840.

United States remains focused on deterring states to provide terrorist safe havens, such as Argentina, Brazil, Colombia, Mexico and Venezuela.

Finally, the United States leads the Drug War effort by aiming to reduce illegal narcotics imported into the United States. From partnering with Colombia to fight the FARC, to orchestrating U.S. Southern Command (SOUTHCOM) and Department of Defense (DOD) missions throughout Central America, the United States is determined to continue the war on drugs and illicit trafficking throughout the Western Hemisphere.

CASE STUDY: Venezuela and Hugo Chavez

At the age of seventeen, Hugo Chavez was recruited into the Venezuelan Academy of Military Sciences where he graduated as a second lieutenant in 1975.⁴⁰ Chavez was mentored by leftist leaders, such as Douglas Bravo,⁴¹ until he was transferred in 1979 to teach at his former military academy.⁴² As a Lieutenant Colonel in 1992, he led a coup to overthrow former President Carlos Andres Perez. Although failing to successfully overthrow Perez, Chavez was broadcasted reciting the military surrender speech, which academics believe to have contributed to his presidential victory in 1999.⁴³ Re-elected a second presidential term in 2001, this period is theorized as the moment where tensions between Chavez and the United States began to get worse. Moreover, Chavez blames the United States for the orchestrated coup attempt in 2002, in which Chavez believes the Central Intelligence Agency was plotting to assassinate him.

⁴⁰ Schoen, Douglas and Rowan, Michael. "The Threat Closer to Home: Hugo Chavez and the War Against America." *Free Press*. January, 2009. p25.

⁴¹ Douglas Bravo was the leader of the Party of the Venezuelan Revolutionary (PVR). He was represented Marxist theorizing to employ Venezuela's oil as a weapon against the United States.

⁴² Schoen, Douglas and Rowan, Michael. p27.

⁴³ Elizalde and Baez. Our Chavez. *Voltairenet.org*. February, 1999.

Under the Chavez Administration, Venezuela had a weak and volatile external economic environment. Chavez increased the role of the state in the economy, limiting the reforms causing Venezuela's business environment "the least friendly in the world."⁴⁴ Chavez lead the United Socialist Party of Venezuela (PSUV). Following his reelection in 2010, Chavez appointed nine PSUV loyalists to the Supreme Court.⁴⁵ Additionally, the PSUV passed laws "aimed at creating a communal state and economy; limiting internal rules for assembly debate; prohibiting party defections; increasing government control over the independent media, Internet, banks, and non-governmental organizations; and granting Chavez decree power", effectively preventing the legislative power of his opposition.⁴⁶

Chavez's Impact on Democracy

On October 7, 2012, Venezuela's President Hugo Chavez was re-elected to another six-year term, his third such term in a row. Using the ballot system to cast votes, Chavez won Venezuela's presidency with 54.42 percent, or 7.4 million votes.⁴⁷ For many, this election was viewed as a victory for the democratic system in Latin America. In a contemporary world, liberal democracy is regarded as a government structure where the majority of people express their rights through free and fair elections.⁴⁸ This also requires checks and balances for government authorities by a constitution, which protects the rights of society's majority and minorities.

⁴⁴ Venezuela, Country Report. *Economist Intelligence Unit Limited*. April 2012. p6.

⁴⁵ Bolivarian Republic of Venezuela. U.S. Department of State. *Bureau of Western Hemisphere Affairs*. April 6, 2012.

⁴⁶ *Ibid*.

⁴⁷ CNN Wire Staff. "Venezuelan election officials: Chavez re-elected as president" *CNN*. October 7, 2012.

⁴⁸ Canache, Damaris. "The Meaning of Democracy in Venezuela: Citizen Perceptions and Structural Change." *University of Miami Press*. 2012. p98.

Chavez's second term in office (2007-2013) revealed his plan to radicalize and reformulate the Bolivarian project into "twenty-first-century socialism."⁴⁹ Chavez led the effort in transforming Venezuelan democracy from liberal to participatory, with an emphasis of more citizen participation.⁵⁰ Essentially, this was implemented by developing a vast network of community councils formed by spokespersons of community-based organizations. This reorganization of local politics directly involved the Venezuelan people, which weakened the local government and representation. This led to communities being overrun by one or two people and corruption of resources. In theory, once the Venezuelan government allocated resources for a community, it was up to that council leader to appropriate the funds.

Furthermore, Chavez passed 26 presidential decrees that allowed him to appoint regional leaders with budgetary powers in areas such as tourism, railways, social security and financial institutions.⁵¹ Additionally, the new constitution had an unlimited term limit for elected officials, including the president. Most aggravating to the United States was Chavez's nationalization of Venezuela's oil industry.

Human Rights Watch reported that Chavez's political operatives threatened over 240 radio stations with license revocation if they "harmed the interests of the state, caused panic, or disturbed social justice," which led to thirteen stations shutting down.⁵²

Moreover, Chavez fired employees from government agencies who were deemed part of

⁴⁹ Ibid. p100.

⁵⁰ Ibid. p96.

⁵¹ Mark P. Sullivan. "Venezuela: Political Conditions and US Policy." CRS Report for Congress, Washington, D.C. *Congressional Research Service*. 2009. p9.

⁵² Rory, Carroll. "Hugo Chavez revokes radio licenses in wider media crackdown." *Gaurdian.co.uk*. August 2, 2009.

his political opposition.⁵³ Although projecting himself as a democratic leader in Latin America, Chavez worked to undermine Venezuelans' fundamental right to democratic participation in their political system.

According to congressional records, the U.S. government provided approximately \$5 million to Venezuela annually for democracy related assistance.⁵⁴ Policy makers and activists were engaged to ensure Venezuela observes democratic norms. A conference in 2011 entitled "Legitimacy Lost: How 21st Century Socialism Subverts Democracy in Latin America" was sponsored by think tanks and policy makers.⁵⁵ Primarily focused on Venezuelan policy, the conference discussed how Chavez planned to subvert democracy and cement autocratic power. The United States feared that Chavez was working to dismantle Venezuelan democracy by allying with anti-U.S. regimes and neglecting nations partnered with the United States, such as Colombia.

Chavez's policies and posturing caused U.S. policy-makers to question his regard for democratic governance. Within the Western Hemisphere, Venezuela's political transformations did not directly affect U.S. democracy nor did it have a discernible effect throughout the region. Although Chavez did influence the region and tried to export his socialist ideology to neighboring countries, the United States remained optimistic that Latin America would ultimately reject his rhetoric, as the majority of the Western Hemisphere aspired for free trade, democracy, and citizen equality.

⁵³ Human Rights Watch. "A Decade Under Chavez: Political Intolerance and Lost Opportunities for Advancing Human Rights in Venezuela." *Human Rights Watch Report*. New York: Human Rights Watch. 2008. p10.

⁵⁴ "Venezuela's Sanctionable Activity." *112th Joint Hearing: Subcommittee on National Security Homeland Defense and Foreign Relations*. Serial No. 112-71. Serial No. 112-79. June 24, 2011. p41.

⁵⁵ Fabricant, Nicole. "Legitimacy Lost: Human Rights Discourse in Washington." *Report: Human Rights*. NACLA Report on the Americas. September/October 2011. p26.

Chavez's Impact on the U.S. Economy

Venezuela's Oil

Oil was Chavez's most powerful weapon. As a major supplier of foreign oil to the United States, Venezuelan oil accounted for nearly 11 percent of U.S. consumption.⁵⁶ Moreover, Venezuela was the third largest supplier of oil products to the United States, exporting approximately 1 million barrels (equivalent to \$117 million) per day of crude oil and products to the United States.⁵⁷ Venezuela exported 40 percent of their oil to the United States annually.⁵⁸

Since 2001, the United States was primarily focused on Middle Eastern affairs and reducing dependence on its oil. U.S. concern was largely based on volatile oil prices caused by instability in that region. In reality, Chavez was just as much to blame for volatile oil prices, given his failure to invest in Venezuela's flagging oil infrastructure and international concern about instability within Venezuela itself. For example, since Chavez became president, Venezuelan oil output fell 25 percent.⁵⁹ Based on analyzing headlines, this chapter concluded the U.S. media and politicians did not openly discuss the oil exported from Latin America, specifically Venezuela, as frequently as oil from other parts of the world.

Upon becoming President 1999, Chavez revised Venezuela's constitution and consolidated his executive powers. Notably, in 2002, Chavez took control of the national oil company, Petroleos de Venezuela (PDVSA). Frustrated by the increased governmental executive control, PDVSA management and employees orchestrated a two-

⁵⁶ 112th Congress 1st Session. H. Resolution 44. January 19, 2011. p3.

⁵⁷ "Venezuela's Sanctionable Activity." *112th Joint Hearing: Subcommittee on National Security Homeland Defense and Foreign Relations*. Serial No. 112-71. Serial No. 112-79. June 24, 2011. p44.

⁵⁸ Venezuela. *U.S. Energy Information Administration*.

⁵⁹ Wilson, Peter. "Chavez's Big Oil Bluff." *Bloomberg Businessweek*. February 11, 2008.

day walkout and formed protests, which resulted in the death of eighteen Venezuelans. Chavez later fired 18,000 employees and replaced them with military and political loyalists, many who were completely unskilled in the oil business.⁶⁰ Outraged by Chavez's demands to turn over oil exploration and production property rights to Venezuela, American companies ExxonMobil and ConocoPhillips immediately abandoned operations in Venezuela. Coincidentally, the PDVSA president was also the Minister of Energy and Petroleum, which was essentially a conflict of interest as he was responsible for both managing and monitoring PDVSA.⁶¹

Venezuela's oil reserves were second only to Saudi Arabia. However, unlike Saudi Arabia's oil, which was light, cheap and easy to refine, 90 percent of Venezuela's oil was heavy, expensive, and difficult to refine.⁶² The United States was the primary country equipped to refine Venezuela's crude oil, requiring an extensive amount of technology and investment to process. These refinement activities provided numerous employment opportunities for Americans. Although the United States benefited from the oil refining process, the long-term effects of relying on Venezuela's oil were negative. Imported oil affected the purchasing power of U.S. currency, attainability of reasonable credit, and the amount of jobs created or lost. While the United States represented only four percent of the world's population, Americans consumed over one quarter of the world's oil.⁶³ The price of imported oil affected more than raised prices at the pump:

⁶⁰ Gustavo, Coronel. "Corruption Mismanagement and Abuse of Power in Hugo Chavez's Venezuela." *Cato Institute*. Development Policy Analysis. No.2. November 27, 2006. p13.

⁶¹ Petroleos de Venezuela, S.A. Gobierno Bolivariano de Venezuela. PDVSA.

⁶² Schoen, Douglas and Rowan, Michael. "The Threat Closer to Home: Hugo Chavez and the War Against America." *Free Press*. January, 2009. p68.

⁶³ *Ibid*. p68.

there was an increased cost for most plastics, transporting goods and food items, and the cost of operating gas-powered machinery.

U.S. dependency on oil, in turn, generated reliance and vulnerability towards those countries supplying the oil. In 2011, the following statement was noted during a 112th congressional committee hearing on natural resources, “Oil and natural gas are still going to be a part of our energy mix for a long time to come and we must be able to access our own resources, rather than becoming more dependent on unstable parts of the world.”⁶⁴ Specifically referring to Venezuela, the resolution noted, “U.S. money is going overseas for oil, much to countries hostile to us.”⁶⁵ In essence, Venezuela depended on the United States almost as much as the United States relied on Venezuela. In fact, oil and natural gas supplied approximately 60 percent of the U.S. natural energy needs, including 99 percent of the fuel used by Americans in their vehicles alone.⁶⁶ Oil dependence on corrupt autocracies – like Venezuela – placed the United States in a conflicting situation between supporting energy interests and defending its traditional values.

As a founding member of OPEC, Chavez urged OPEC to abandon the U.S. dollar as its international currency. For example, in 2003, former Venezuelan Energy & Mines Minister requested that OPEC discard the U.S. dollar as a trading currency and to adopt the Euro to compensate for the U.S. dollar’s plummeting international value.⁶⁷ Chavez obtained a powerful position globally almost solely due to Venezuela’s oil resources. Had Chavez decided to cut off oil supply to the United States, Americans would have

⁶⁴ 112th Congress 1st Session. *H. Resolution 44*. January 19, 2011. p2.

⁶⁵ *Ibid.* p2.

⁶⁶ *Ibid.* p2.

⁶⁷ Coleman, David. “OPEC May Trade Oil for Euros to Compensate for US\$ Freefall.” *Venezuelanalysis.com: News, Views, and Analysis*. December 8, 2003.

been negatively affected. The United States would have increased oil imports from other countries, driving the costs higher to transport oil from further away. The U.S. Government Accountability Office reported “that any move to completely replace oil from Venezuela with fuel from other suppliers would take several years and would require a significant increase in production capacity elsewhere in the world.”⁶⁸ Conversely, Chavez understood that losing the United States as an oil consumer would have significantly damaged Venezuela’s economy. Therefore, it was highly unlikely he would have risked cutting off oil exports to the United States. China, however, could have potentially replaced the United States in consuming Venezuelan oil. Already, China invested in Venezuela’s oil infrastructure and considered the purchase of two new oil fields in Venezuela; however, due to the distance of transporting the oil, the shortage of refining capabilities, and the increased expenses were estimated to result in a net loss for Venezuela.⁶⁹

Venezuela’s Alliance with Cuba

Latin American scholars claimed that Cuba’s former president Fidel Castro molded Chavez from his early years to follow and implement his socialist ideologies. Cuba was one of the four countries on the U.S. State Department’s State Sponsors of Terrorism list. Cuba supported various terrorist and revolutionary movements in the Western Hemisphere.⁷⁰ Since Castro stepped down as President in 2008 and as leader of Cuba’s Communist Party in 2011, Cuba neglected to demonstrate a fundamental change

⁶⁸ Lapper, Richard. “Living with Hugo: U.S. Policy Toward Hugo Chavez’s Venezuela.” *Council on Foreign Relations Special Report*. November, 2006. p24.

⁶⁹ *Ibid.* p25.

⁷⁰ “Venezuela’s Sanctionable Activity.” *112th Joint Hearing: Subcommittee on National Security Homeland Defense and Foreign Relations*. Serial No. 112-71. Serial No. 112-79. June 24, 2011. p45.

in leadership nor did Cuba cease supporting international terrorism. Moreover, the United States could not validate that Cuba had gone six months without supporting foreign terrorist organizations or provide assurance that Cuba would stop supporting international terrorism in the future. Particularly troublesome to the United States was Cuba's relationship with the FARC and National Liberation Army (ELN).⁷¹ Both FARC and the ELN were U.S. designated foreign terrorist organizations in accordance with section 219 of the Immigration and Nationality Act.⁷² On October 31, 2012, the FARC claimed responsibility for detonating a suitcase bomb near a town square in Colombia, where 5,000 children were celebrating Halloween, harming 37 people.⁷³ FARC continues to be a threat in the Western Hemisphere. In addition, Cuba harbored a member on the Federal Bureau of Investigation's Most Wanted list, who was wanted for murdering a U.S. state police officer, deemed as a politically motivated act of terrorism.⁷⁴

Castro acted as a mentor to Chavez, most notably since Chavez attempted to overthrow the Venezuelan government in 1982. Chavez was publically recorded vocalizing his admiration for Castro, exclaiming:

"You are the one with an exceptional mind, not me"; "We follow your example"; "Yes Fidel. I have become, well, you have turned me into an emissary, a source"; "But you, Cuba and its example of dignity, of battle, courage and its infinite solidarity has always and will always be with us as an example"; "I do not have any qualms about calling you 'father' in front of the world. Onward to victory"; "In those days [1989] I saw you from afar and I wanted to get close to greet you, but I could not, but we were already involved in the revolutionary movement...now that I am listening, and talking to you, what an honor."⁷⁵

⁷¹ "Venezuela's Sanctionable Activity." *112th Joint Hearing: Subcommittee on National Security, Homeland Defense and Foreign Relations*. Serial No. 112-71. Serial No. 112-79. June 24, 2011. p45.

⁷² "Foreign Terrorist Organizations." *Bureau of Counterterrorism*. September 28, 2012.

⁷³ Garcia, Cesar. "2 Killed, 37 Injured in Colombia Blast." *Associated Press*. November 1, 2012.

⁷⁴ "Wanted by the FBI." The FBI Federal Bureau of Investigation.

⁷⁵ Schoen, Douglas and Rowan, Michael. "The Threat Closer to Home: Hugo Chavez and the War Against America." *Free Press*. January, 2009. p81

Chavez provided Cuba approximately \$2 billion in subsidized oil a year and 100,000 barrels of oil a day, which was discounted as much as 40 percent.⁷⁶ In return, Cuba offered an export market to Venezuela of doctors and technical advisors as Venezuela's health care system was not as advanced neither technologically nor medically skilled as Cuba's.⁷⁷ Venezuela was Cuba's largest trading partner, amounting to roughly \$7 billion per year.⁷⁸ On the one hand, Venezuela's increased trade with Cuba countered the United States' trade embargo against Cuba. On the other hand, this relationship did not weaken the U.S. economy. In fact, U.S. economists and politicians debated whether the United States should readjust embargos and restrictions against Cuba. Regardless of the controversial U.S.–Cuban relationship, Chavez demonstrated he would partner with whomever he wished, despite agitating the United States.

Chavez's Regional Trading Partnerships

The Bolivarian Alternative for the Americans (ALBA) was established in 2004 and functioned as a political alliance that facilitated economic assistance between Venezuela, Cuba, Ecuador, Nicaragua, Bolivia, and three Caribbean countries. ALBA was intended to contest U.S. hegemony in Latin America. In 2010, with ALBA partnerships, Chavez was finally successful at conducting the first bilateral trade deal with Ecuador using the new, ALBA adopted, trading currency: the Unitary System of Regional Compensation (Sucre).⁷⁹ Had the Sucre become a serious currency, trading

⁷⁶ Alvarez, Cesar and Hanson, Stephanie. "Venezuela's Oil-Based Economy." *Council on Foreign Affairs*. February 9, 2009.

⁷⁷ Ibid.

⁷⁸ "Cuba: Country Report" Cuba Country Forecast. *The Political Risk Services Group, Inc.* June, 2011.

⁷⁹ Mather, Steven. Venezuela Pays for the First ALBA Trade with Ecuador in New Regional Currency." *Venezuelanalysis.com. International*. July 7, 2010.

goods with the Sucre, rather than the U.S. dollar, would have threatened U.S. trade interests in the region, causing the U.S. dollar to decrease in value. After the transaction using the Sucre, Chavez proclaimed, “the implementation of the Sucre allows us to advance towards freeing ourselves from the dollar, decoupling ourselves from the international hegemonic system.”⁸⁰ Chavez was slowly implementing his vision of to break away from the region’s hegemon.

After Cuba, Chavez’s closest ally in the region was Bolivia. Chavez had an exceptionally close relationship with Bolivian President Evo Morales, who received \$1 billion in aid from Venezuela after taking office in 2006.⁸¹ Morales allowed Chavez’s PDVSA access to Bolivia’s natural gas reserves, nationalized the gas industry and kicked out private sector multinational energy companies.⁸² Upon taking office, Morales attacked U.S. policies and endorsed the Peoples Trade Treaty, which swapped 200,000 barrels a month of subsidized Venezuelan diesel fuel for Bolivian soya.⁸³ The relationship between Venezuela and Bolivia was viewed by scholars as a regional partnership to strengthen economies and promote sustainable development. However, in 2008 when Morales expelled the U.S. Ambassador, kicked out all Peace Corps volunteers, and forced the Drug Enforcement Administration out of Bolivia, it became apparent that ALBA’s mission was more than merely economic integration. As evidenced in the Bolivian example, Chavez influenced states to wean themselves from using the U.S. dollar and to decrease the U.S. political footprint in the region.

⁸⁰ Ibid.

⁸¹ Schoen, Douglas and Rowan, Michael. “The Threat Closer to Home: Hugo Chavez and the War Against America.” *Free Press*. January, 2009. p85

⁸² Ibid. p85.

⁸³ “The Venezuelan Connection.” *Economist*. July 8, 2006. p32.

Free trade had arguably prevailed to level economic inequality throughout the world, including in Latin America. Policy makers lobbied hard to pass FTAs in Latin American, securing NAFTA, CAFTA-DR, and bilateral agreements with Chile and Peru. Chavez was on a mission to attack U.S. trade inroads by providing subsidized oil and cheap goods as well as debt relief assistance throughout Latin America.⁸⁴

Since the 1990s, U.S. administrations have relied on the Summit of the Americas to annually meet with heads of state and government of the Western Hemisphere to discuss common political issues, affirm shared values, and address shared challenges in the Americas.⁸⁵ Leaders of North America, Central America, the Caribbean, and South America are invited to the annual summit, except Cuba. Members of the 6th Summit, held in Colombia in April 2012, insisted on Cuba's inclusion; however, the United States vetoed the demand, which led to a summit boycott by the presidents of Ecuador and Nicaragua. In addition, U.S. free trade agreements were not advanced, partially because of organizations such as ALBA, the Common Market of the South (Mercosur), including Argentina, Brazil, Paraguay, Uruguay, and Venezuela, and the Community of Latin American and Caribbean States (CELAC), excluding the United States. Deemed as a failure for the United States, the 6th Summit of the Americas provided a success for Chavez, demonstrating that the region hegemon may slowly be losing its economic claim on the Western Hemisphere.

⁸⁴ "The Chavez Play: Venezuela's President Tries His Hand at Financial Arbitrage." *Economist*. October 26, 2006.

⁸⁵ Summits of the Americas. Organization of the American States. Accessed on November 6, 2012.

Chavez Impacts U.S. Security and Stability

Chavez's Relationship with Ahmadinejad

Chavez teamed with international leaders who had the capability to significantly negatively affect U.S. interests, such as Iranian President Mahmoud Ahmadinejad. However, less direct threatening relationships included Cuban President Raul Castro and Syrian President Bashar al-Assad. As policy makers continued to gather intelligence and speculate on Chavez's intentions to threaten the United States, immediate attention was focused on the relationship between Chavez and Ahmadinejad.

Primarily funded by Iran, Hezbollah was the radical Lebanon-based Islamic Shiite group, which the U.S. State Department designated a Foreign Terrorist Organization.⁸⁶ Hezbollah was a nationalist entity and a political actor in Lebanon. Since the U.S.-led invasion of Iraq in 2003, Hezbollah transformed into an anti-imperialist party with a mission to counter the regional hegemonies: Israel and the United States.⁸⁷ During Syria's uprising, Hezbollah supported Syrian President Bashar al-Assad and carried out attacks against the Syrian resistance.⁸⁸

Hezbollah's actions extended beyond the Middle East. For example, Hezbollah proved their extra-territorial destructive capabilities by carrying out two attacks against Jewish and Israeli buildings in Buenos Aires, Argentina in the early 1990s. Both attacks were believed to have been financed by Iran.⁸⁹ The first attack in 1992 killed 30 people at the Israeli Embassy, and two years later 85 people died when the Argentine-Israeli

⁸⁶ Sullivan, Mark. "Latin America: Terrorism Issues." *CRS Report for Congress*. March 2, 2012.

⁸⁷ Hussein, Rola. "Hezbollah and the Axis of Refusal: Hamas, Iran and Syria." *Routledge*. Third World Quarterly. Vol. 31. No. 5. 2010. p803.

⁸⁸ Nordland, Rod. "Assad Supporters Suspected in New Beirut Incidents." *The New York Times*. June 26, 2012.

⁸⁹ Sullivan, Mark. "Latin America: Terrorism Issues." *CRS Report for Congress*. March 2, 2012.

Mutual Association of Buenos Aires was bombed.⁹⁰ The primary strategic interest of Hezbollah, in Latin America, appeared to be centered on raising funds to supplement its other income streams derived from global collections outside of the Middle East.⁹¹ Growing concern escalated regarding Hezbollah's continued access to and presence in Latin America. In 2005, Iranian President Mahmoud Ahmadinejad took office and quickly identified commonalities with Venezuela's leader Hugo Chavez. Chavez and Ahmadinejad united in a mission to build an anti-imperialist and anti-American coalition of nations.⁹² During one of Chavez's many visits to Tehran, he referred to Ahmadinejad as his "ideological brother." Chavez went on to say "co-operation of independent countries such as Iran and Venezuela has an effective role in defeating the policies of imperialism and saving nations."⁹³ In other words, these leaders publically acknowledged their intentions to defy the United States and join to remove the United States as the world's superpower.

During a congressional hearing before the Committee on Foreign Affairs, the Chairman Ros-Lehtinen indicated an increased presence of Iran's Quds Force in Venezuela, Nicaragua, Cuba and Ecuador, as well as offices of Iran's intelligence services surfacing throughout the region.⁹⁴ Additionally, in May 2011, the Iranian Defense Minister inaugurated a military training school in Bolivia for ALBA countries, which was financed by the Iranian regime.⁹⁵

⁹⁰ Ibid.

⁹¹ Costanza, William. "Hizballah and Its Mission in Latin America." Liberal Studies Program. *Georgetown University. Studies in Conflict and Terrorism*. Routledge Taylor and Francis Group, LLC. 2012. p194.

⁹² Pickell, Sam. "Radical Islam's Western Foothold: Hugo Chavez and Hezbollah." April, 2010.

⁹³ "Chavez visits 'brother' Ahmadinejad." *Al Jazeera*. July 1, 2007.

⁹⁴ "Ahmadinejad's Tour of Tyrants and Iran's Agenda in the Western Hemisphere." 112th Congress 2nd Second. *Committee of Foreign Affairs*. Serial No. 112-123. February 2, 2012. p2.

⁹⁵ Ibid.

In addition to sharing similar ideological views, Chavez and Ahmadinejad shared ties in the energy arena. Iran and Venezuela were both top world oil producers and became respectively the world's fifth and eleventh-largest out of 217 countries.⁹⁶ Links between these two countries had historical roots as Iran and Venezuela were co-founders of OPEC in the 1960s.⁹⁷ Indeed, both countries had the ability to manipulate oil prices on the world market. After the United States, Iran became the second largest investor in Venezuela.⁹⁸

As the United States continued enforcing economic sanctions on Iran, Ahmadinejad pursued efforts to gain support in Latin America, primarily in Venezuela. Ahmadinejad diplomatically prevailed by opening six new embassies in Latin America, totaling eleven Islamic Republic embassies in the region, an oddity given the geographical and cultural distances between Iran and countries in the region.⁹⁹ Still, Chavez was Iran's most vocal supporter in Latin America, most notably in support of Iran's alleged nuclear program.¹⁰⁰ In return, Ahmadinejad concentrated on economic partnerships with Chavez by collaborating on Venezuelan projects, such as tractor factories, milk plants, and joint car factories.¹⁰¹ However, these collaborative projects created unease, especially when an Iran-owned cement plant in Venezuela was accused

⁹⁶ Top World Oil Producers, 2010. Independent Statistics and Analysis. *UNITED STATES Energy Information Administration*.

⁹⁷ Morgan, Susie. "Iran's Growing Influence in Latin America." *Current Affairs. The Middle East*. October, 2010.

⁹⁸ Costanza, William. "Hizballah and Its Mission in Latin America." Liberal Studies Program. *Georgetown University. Studies in Conflict and Terrorism*. Routledge Taylor and Francis Group, LLC. 2012. p195.

⁹⁹ *Ibid.*

¹⁰⁰ "Chavez visits 'brother' Ahmadinejad." *Al Jazeera*. July 1, 2007.

¹⁰¹ Morgan, Susie. "Iran's Growing Influence in Latin America." *Current Affairs. The Middle East*. October, 2010.

of manufacturing and shipping cocaine to West Africa and Europe.¹⁰² Profits earned from drug trafficking were reported to fund Hezbollah efforts globally.

Iranian-Venezuelan cooperation was particularly troublesome in its security aspects. In 2008, Turkish officials confiscated 22 containers marked “tractor parts” heading from Iran to Venezuela, where bomb-making materials and weapons were found.¹⁰³ In September 2009, a nuclear cooperation agreement was signed by Venezuela and Iran, which formalized that Iran would help Venezuela build a “nuclear villa.”¹⁰⁴ Additionally, Venezuelan officials admitted that Iran assisted with the exploration of uranium deposits in Venezuela.

Increased U.S. attention was placed on the strengthening relationship between Chavez and Ahmadinejad. Since 2010, weekly flights from Venezuela to Iran, via Syria, were added to Venezuela’s Conviasa and IranAir routes. U.S. officials were concerned that this ease of travel would grant Hezbollah increased access to the Western Hemisphere, which could have led to added support by the radical Shiite population in Venezuela.¹⁰⁵ Policy makers argued Venezuela was transforming into a safe haven for terrorists.

Iran and Hezbollah continued to cause the DOD to invest time and resources in dismantling their drug and terrorist activities. During the Senate Armed Services Committee hearing in March 2009, U.S. Navy Admiral James Stavridis raised concerns of increased Hezbollah activities in Latin America.¹⁰⁶ Stavridis announced “another

¹⁰² Warmoth, Sandra. “Iran’s Expanding Footprint in Latin America.” *Small Wars Journal*. May 29, 2012.

¹⁰³ Ibid.

¹⁰⁴ Romero, Simon. “Venezuela Says Iran Is Helping It Look for Uranium.” *The New York Times*. September 26, 2009.

¹⁰⁵ Sullivan, Mark. “Latin America: Terrorism Issues.” *CRS Report for Congress*. March 2, 2012.

¹⁰⁶ Morgan, Susie. “Iran’s Growing Influence in Latin America.” *Current Affairs. The Middle East*. October, 2010

threat to the United States is the nexus with Islamic radical terrorism...U.S. Southern Command supported a drug enforcement operation, which targeted a Hezbollah-connected drug trafficking organization...A robust Hezbollah financial support network exists in the region, as well as an active group of sympathizers and supporters of Hezbollah.”¹⁰⁷

Adding to Chavez’s support for Iran and Hezbollah, Chavez placed natives of Iran-allied countries in top positions in Venezuela’s government. Tareck el Aissami, a Venezuelan national of Syrian descent, was Chavez’s Justice and Interior Minister and responsible for Venezuela’s passport agency.¹⁰⁸ Previously, the deputy director of Identification and Immigration Directorate, Aissami was in charge of Venezuela’s border controls and issuing passports and national ID cards.¹⁰⁹ Tareck’s father, Carlos Aissami, was head of the Venezuelan branch of the Iraqi Baath political party. Moreover, Carlos publically referred to Osama Bin Laden as “the great Mujahedeen” and called President Bush “genocidal, mentally deranged, a liar and a racist.”¹¹⁰

Another top Venezuelan official, Ghazi Nassereddine, was a native of Lebanon who has become naturalized Venezuelan and had familial connections to Hezbollah.¹¹¹ Nassereddine was Chavez’s second highest ranking diplomat in Syria and was suspected of operating Hezbollah’s network in Latin America.¹¹² Ghazi’s brother, Abdullah, was a former member of the Venezuelan congress and previous vice president of the Federation

¹⁰⁷ “Growing Concern about Iran’s Influence in Latin America.” Security Assistant Monitor. *Center for International Policy*. March 18, 2009.

¹⁰⁸ Venezuela, Country Report. *Economist Intelligence Unit Limited*. April, 2012. p23.

¹⁰⁹ Ferrand, Nicole. “Venezuela’s Tarek El – Aissami.” *The America’s Report*. Vol. No. 5. Issue 1. October 2, 2008.

¹¹⁰ “Jihad in Venezuela?” *Jihad Watch*.

¹¹¹ Noriego, Roger. “Is there a Chavez terror network on America’s doorstep?” *InterAmerican Security Watch*. March 22, 2011.

¹¹² *Ibid*.

of Arab and American Entities in Latin America.¹¹³ Abdullah resided in Venezuela and managed the business operations of Hezbollah in Latin America.¹¹⁴ Additionally, Ghazi's younger brother Oday was responsible for running paramilitary training centers and recruiting Venezuelans to send to Iran for radical training.¹¹⁵ Deliberately placing Iran supporters in positions of power in Venezuela's government demonstrates that the future policies of both countries could have become intertwined, and thereby created regional hostility to U.S. national security interests.

In order to escape the pain of U.S. imposed sanctions, Iran established financial institutions in Venezuela. Specifically, a bi-national Iranian-Venezuelan development bank, and Iranian-owned universal bank (Bank Saderat), Iranian commercial banks in Caracas, and a bi-national investment and development fund assisted Iran in evading United Nations Security Council resolutions.¹¹⁶

Iran and Venezuela were noted by the Brookings Institute as the "worst offenders" to value ideology in their foreign policies.¹¹⁷ When radical ideologies were used to justify support for terrorism, this created a national security issue for the United States. Historically, countries whose leadership structured foreign policy based on radical ideologies eventually caused trouble for the United States, such as Germany, North Korea, Cuba, and Iraq. Moreover, spreading this ideology throughout Latin America was made readily possible by the launch of HispanTV in 2011. Disseminating

¹¹³ Ibid.

¹¹⁴ Noriega, Roger. "Iran's Gambit in Latin America." *Commentary Magazine*. February 2012.

¹¹⁵ Ibid.

¹¹⁶ Warmoth, Sandra. "Iran's Expanding Footprint in Latin America." *Small Wars Journal*. May 29, 2012.

¹¹⁷ Byman, Daniel. "The Changing Nature of State Sponsorship of Terrorism." *The Saban Center for Middle East Policy at The Brookings Institute*. Analysis Paper. No. 16. May 15, 2008.

Iranian Shi'ite propaganda along with state-approved news, documentaries, and Iranian films, this channel was also used to send secret messages to Hezbollah.¹¹⁸

For decades, the United States assisted Latin America in their fight against terrorism and insurgent groups harmful to the region. Specifically, the United States provided its law enforcement resources to combat terrorism, drug trafficking, and money laundering in the region. The United States displayed its awareness of Venezuela's threat by listing Venezuela as one of the two Latin American countries "not cooperating fully with United States antiterrorism efforts" according to Section 40A of the Arms Export Control Act.¹¹⁹ Although the U.S. military was undoubtedly capable of minimizing Venezuela's military, minimizing the emerging international terrorist group Hezbollah movement backed by Venezuela created increased challenges in the region.

Venezuela's Armament

Venezuela last fought a war in 1821, where independence was gained from Spain; yet Chavez heavily invested in armaments. Chavez's fascination with military arms has significantly increased throughout his presidency. Having borrowed more than \$2 billion from Russia to buy Russian-made tanks and antiaircraft missile systems, Chavez claimed the armament was to "protect its vast oil reserves from the United States."¹²⁰ Specifically, the following documented purchases were made by Chavez: 24 Sukhoi fighter jets; T-72 tanks; air defense systems; over 100,000 assault rifles; AK-47 rifles. Also, an agreement was signed between Russia and Venezuela to build a Kalashnikov

¹¹⁸ Warmoth, Sandra. "Iran's Expanding Footprint in Latin America." *Small Wars Journal*. May 29, 2012.

¹¹⁹ Ibid.

¹²⁰ Wolland, Jeremy. "Venezuela, Russia Signs Weapon Deal." *Arms Control Today*. September, 2006.

factory in Venezuela, capable of producing 25,000 rifles annually.¹²¹ In 2012, Chavez began assembling Kalashnikov assault rifles and surveillance drones, and making grenades and ammunition with Russian assistance.¹²² Even with these non-confidential acquisitions, U.S. national security was not directly threatened. Instead, the U.S. administration was more concerned that Chavez could export assembled weapons to organizations promoting drug trafficking or radical ideologies in the Western Hemisphere, such as FARC, ELN or Hezbollah.

Chavez's Intentions

Throughout this paper, Chavez was referenced as if he was the state of Venezuela. This was done because his actions as president, since 1999, proved his regional influence was more powerful than the state of Venezuela. By manipulating Venezuela's economy, seizing control over their main money-making enterprise, and hand-selecting government officials, people around the world referenced Chavez versus the state of Venezuela.

It appeared counterintuitive that Chavez kept the United States as their number one oil customer, while simultaneously attempting to weaken the U.S. hegemony in the Western Hemisphere. It was important to recognize that Venezuela's oil was an unusual industry, in that the oil from Venezuela was heavier and contained more sulfur, so it has to be refined differently from other oil. The United States was one of the few places operating refineries capable of refining Venezuelan oil; therefore, Chavez needed U.S. support to refine his oil. In addition, since the majority of the educated employees of

¹²¹ "Venezuela's Sanctionable Activity." *112th Joint Hearing: Subcommittee on National Security Homeland Defense and Foreign Relations*. Serial No. 112-71. Serial No. 112-79. June 24, 2011. p49.

¹²² "Russia Arms Chavez, Venezuela with Drones and Rifles." *Associated Press*. June 14, 2012.

PDVSA either quit or were fired, the Venezuelan refineries were operating at a much lower capacity than they were capable of, and the infrastructure continued to weaken. Paradoxically, the question arose as to what interests Chavez was protecting by opposing the United States. In order to be seen as a regional power, Chavez had to have an enemy. All heroes have a villain. Chavez tried to polarize the hemisphere so that he could be seen as the leader of the opposition, rather than just the leader of one of many small states in the region. Hence, it was for political gain. On the other hand, other people believe Chavez had a personal vendetta against the United States, based on events from his past. When Chavez was a student at the Venezuelan military academy, the United States supplied trainers and advisors to the academy. He may have had negative encounters with Americans throughout his duration at the academy. Moreover, Chavez blamed the Central Intelligence Agency for the alleged coup plot in 2002 to overthrow his presidency. Profits used from the United States directly aided Chavez's efforts to further his *21st Century Socialism*. Resources invested by the United States on Venezuelan oil was used to undermine the United States and democracy, which compromised a goal of the U.S. National Security Strategy.¹²³ Unless the United States adopted alternatives to oil and reduced dependency on foreign oil, such as Venezuela, anti-American leaders, such as Chavez, continued to exploit oil money to maintain power.

Conclusion

The case study on Venezuela justified the hypothesis that Hugo Chavez's policies affected U.S. interests within Latin America. Chavez created U.S. dependence on foreign

¹²³ Obama, Barack. "National Security Strategy." May, 2010. p37.

oil from a corrupt nation and he aided in advancing terrorists in the Western Hemisphere. Chavez's actions could have led to a regional crisis. As a small rogue state, Venezuela possessed the power to affect the regional hegemon's interests. While policy makers recognized that Chavez's power was waning due to severe health conditions, the United States took a quiet diplomatic approach, utilizing soft power methods to curtail Chavez's anti-American policies. Nevertheless, U.S. policy makers should have taken Chavez's radical ideologies seriously and done more to gather intelligence of his impacts on U.S. economic and security interests.

First, Chavez's changes to Venezuela's government countered the spread of democracy throughout Latin America. Chavez's adoption of *21st Century Socialism*, new presidential decrees, and lack of governmental checks and balance was not positive for the Western Hemisphere. As the United States continued to support free trade, democracy, and citizen equality Chavez publically denounced the United States and proclaimed his anti-American agenda. While all of these actions justified Chavez as being harmful to the democratic process, it cannot be shown that he directly affected U.S. democratic interests.

Next, U.S. reliance on Venezuela's oil alone showed Chavez directly affected U.S. economic interests. Additionally, Chavez's unconditional support for Cuba, which countered U.S.-imposed sanctions against Cuba, sent a clear message that Chavez was not intimidated by the United States. Moreover, Chavez's influence over the ALBA alliance, which already attempted to replace the U.S. dollar, directly affected U.S. economic interests.

Lastly, Chavez's relationship with Iran and Russia directly affected U.S. security interests. Additionally, Venezuela's influx of armament created unease within the Western Hemisphere. Whether U.S. policy makers supported Chavez, attacked his policies, or denied that he posed a threat to the United States, most would concur that U.S. interests were in some way affected by Venezuela. Regarding the security effects, foreign policy makers debated whether it was the right time to add Venezuela to the state of sponsor terrorism list, insisting that Venezuela no longer actively or passively aided terrorist organizations.

As intelligence was carefully analyzed, analysts solidified the threat level Chavez could pose to the United States as low. Venezuela was only 550 miles away from the U.S. territory Puerto Rico and approximately 1,300 miles from Florida.¹²⁴ As of 2012, approximately 18,000 U.S. citizens reside in Venezuela, an estimated 13,000 U.S. tourists visited annually, and around 500 U.S. companies were represented in Venezuela.¹²⁵ Eventually a more tailored and cohesive strategy that actively sought to change Venezuela's actions, specifically Chavez's behavior, should have been developed and implemented.

¹²⁴ Distance Calculator. *Timeanddate.com*. November 2, 2012.

¹²⁵ Bolivarian Republic of Venezuela. *U.S. Department of State*. April 6, 2012.

CHAPTER TWO: REASSESSING DEPARTMENT OF DEFENSE OPERATIONS IN HONDURAS

Introduction

Uncontrolled drug trafficking, increased transnational organized crime, government corruption, poverty, abductions, murders, and lack of fully developed states in Central America, represent a threat to the U.S. security on multiple levels. Latin American countries range from under-developed to developed countries, some of which represent a military and financial counterbalance to the United States, such as Venezuela, Ecuador, and Brazil, to those that foster increased drug and human trafficking, unsafe working conditions, and abysmal economies. The new Latin American reality is nuanced and U.S. policy toward the region must be analyzed accordingly. What began as a traditional security mission for the United States in Central America during the late Cold War has morphed into an anti-drug law enforcement adjunct mission. Although a legitimate operation, drug interdiction performed by the U.S. military has yielded both positive, negative, and useless results. By examining the efficacy of U.S. military missions in the key sub-region of Latin America, Central America, decisions can be made as to whether to continue, cancel, or alter U.S. policy in the region.

Uniquely situated between the North and South of the American continent and East and West of the Pacific and Atlantic Oceans, Central America has become the key transshipment zone for drugs in the Western Hemisphere. Although countries in Central America are largely interested in combating an increase in illicit trafficking of arms, drugs, and humans, such countries have been unable to effectively control such transit

and thus secure the region.¹²⁶ Therefore, the United States has adopted a strategy using interagency coordination to approach regional issues of security and stability. This paper will examine whether U.S. presence in Central America, using Honduras as the case study, strengthens implementation of the U.S. Southern Command Strategy (SOUTHCOM) in accordance with the U.S. National Security Strategy. First, the paper examines the U.S.-Central America relationship and identifies the importance of strengthening a regional security strategy. The paper then goes on to detail the transnational organized crime and drug-related challenges in Central America by discussing whether the region poses a significant threat to U.S. national and international security. The paper further explains why Honduras became a vital ally for the United States since the 1980s and specifically Honduras' strategic function within Central America. Lastly, the paper will address whether there have been improvements in Honduras due to current U.S. operations in-country as well as explore how U.S. resources in Honduras contribute to Central America's overall regional stability.

U.S. Interests and Historical Involvement in Central America

It is necessary to understand Central America's geographical significance in order to comprehend its foundational advantages. Central America connects the United States to Latin America and to the rest of the world. Central America is comprised of seven countries: Belize, El Salvador, Guatemala, Honduras, Nicaragua, Costa Rica, and Panama. Encompassing approximately 521,876 square kilometers, with a population

¹²⁶ Gurdian, Juan Daniel. "Central American Integration on Security: Towards a Greater Regional Response." *Military Technology. MILTECH.* (January 2012) p58-60. This article is an adapted version of a speech that was delivered by Mr. Gurdian at the Center for Strategic and International Studies (CSIS) on September 27, 2011.

estimated at 43 million, Central America is slightly larger than Texas and California combined, yet less populated by 22 million people.¹²⁷⁻¹²⁸ Additionally, the Panama Canal enables access for the entire world to transport goods via maritime. In 2012 alone, 14,544 vessels passed through the Panama Canal originating from countries in every region of the world.¹²⁹ Although Central America's size may not be as immense as other regions, these seven distinct nations with seven separate currencies are each trying to overcome significant security challenges, which ultimately contribute to insecurity in the region.

Prior to the late 1940s, the United States had not developed a strategy to contain communism, nor a specific plan to deal with reformists or revolutionary Latin American governments. During the Cold War, the United States was put in reactionary positions regarding the Western Hemisphere, rather than proactive situations, until forming strong bilateral relations with Honduras. Before U.S. engagement with Honduras, the U.S. feared a communist takeover in Latin America. Therefore, the United States initiated operations to disrupt revolutions, such as Guatemala in 1954, Cuba in 1961, the Dominican Republic in 1965, and Chile in 1973.¹³⁰

The U.S. involvement in Honduras stems from its involvement in neighboring Nicaragua. Transitioning from the Carter administration to the Reagan administration, the U.S. government attempted to destabilize Nicaragua's government by removing the Sandinistas (communist political party) from power. In order to escalate pressure and

¹²⁷ "Central America and Caribbean". *The World Factbook*. Central Intelligence Agency. July 2012.

¹²⁸ State & Country Quickfacts. United States Census Bureau. U.S. Department of Commerce. January 10, 2013.

¹²⁹ "Canal De Panama." *Transit Statistics. Fiscal Year 2012*. November 13, 2012.

¹³⁰ Booth, John and Wade, Christine and Walker, Thomas. "Understanding Central America: Global Forces, Rebellion, and Change." *Westview Press*. Fifth Edition. 2010. p90.

disrupt Nicaragua, the United States used Honduras as its forward operating location. In 1981, the United States stood up a military base, today known as Soto Cano Air Base, where they trained the Honduran military, utilized espionage from air, sea, and land, and transported equipment, used in the battle against Nicaragua. During this period, assistance from the United States to Honduras was the highest it has ever been, averaging annual amounts of military assistance at \$57 million and economic assistance at \$179 million.¹³¹ By 1989, direct U.S. aid to the Contras, anti-Sandinista counter-revolutionaries, aimed at dismantling Nicaragua's government and totaled over \$400 million.¹³² Ironically, although the Reagan administration's rhetoric to get the American public onboard with supporting the Contras was to attack the Sandinistas as human rights violators, a Human Rights Watch report found that supporting the Contras resulted in gross human rights abuses.¹³³ By the mid-1980s, Congress withdrew U.S. taxpayer dollars to fund the Contras and started to break away from toppling the Nicaraguan government. However, the Reagan administration refused to allow the Sandinistas to secure power and brokered an illicit arms deal with Iran (following the Iran Hostage Crisis in 1979), which provided "off-the-books" weapons and funds for the Contras, using Honduras as the staging ground.¹³⁴ In the end, the United States used Honduras to counter Nicaragua's socialist movement because the U.S. government believed the Sandinistas threatened U.S. national interests.

During the 1980s, the United States was heavily engaged in Central America's development and was noticeably present throughout the region. Indeed, the United States

¹³¹ Ibid. p272.

¹³² Ibid. p91.

¹³³ "Human Rights in Nicaragua 1986." *The Americas Watch Committee*. February 1987. p136.

¹³⁴ Booth, John and Wade, Christine and Walker, Thomas. "Understanding Central America: Global Forces, Rebellion, and Change." *Westview Press*. Fifth Edition. 2010. p91.

provided approximately \$1.3 billion annually in financial support for economic and military assistance, which supported efforts to combat leftist political movements.¹³⁵ However, as the Cold War ebbed, U.S. physical presence and financial support to the region drastically declined, leaving weak and war-torn nations vulnerable to illicit trafficking of weapons, drugs, and people. Once U.S. national security interests were no longer vulnerable to communism, U.S. assistance to Central America averaged \$411 million annually until 2007, practically a third of the aid in the 1980s.¹³⁶

U.S. Initiatives

The Central America Regional Security Initiative (CARSI) was launched in 2010 as an addition to the 2007 Merida Initiative.¹³⁷ Under the Bush Administration, the Merida Initiative was a partnership between Mexico and the United States to combat drug trafficking and transnational crime. In 2007, the Merida Initiative allocated \$1.4 billion in U.S. assistance to Mexico and Central America over multiple years.¹³⁸ Additionally, in 2008, Congress appropriated \$466 million in supplemental assistance to Mexico and Central America with a second installment of Merida funding of \$100 million for Central America in 2009.¹³⁹ Moreover, House Resolution 6028 authorized \$1.6 billion over 2008 to 2009 for Mexico and Central America.¹⁴⁰ These funds were specifically designated for funding counternarcotics (CN) operations. Prior to 2007, CN funds for Mexico and

¹³⁵ Meyer, Peter and Seelke, Clare. "Central America Regional Security Initiative: Background and Policy Issues for Congress." *Congressional Research Service*. 7-5700. R41732. *CRS Report for Congress*. February 21, 2012. p1.

¹³⁶ *Ibid.* p19.

¹³⁷ *Ibid.* p2.

¹³⁸ Beittel, June and Seelke, Clare. "Merida Initiative for Mexico and Central America: Funding and Policy Issues." *Congressional Research Service*. 7-5700. R40135. *CRS Report for Congress*. June 1, 2009. p1.

¹³⁹ *Ibid.* p1.

¹⁴⁰ *Ibid.* p1.

Central America were debatably minuscule as the only Central American countries to receive CN funds were Guatemala (\$1.9 million) and Panama (\$3.3 million).¹⁴¹ During this period, funding operations in Afghanistan and Iraq outweighed combating drug-related crimes in Central America. Nevertheless, since 2007, U.S. policy makers have begun to take transnational crime and illicit trafficking seriously, and in doing so, have started appropriating foreign aid throughout each U.S. budget.

Although Central America consists of democratic governments, according to the Subcommittee on Oversight and Investigations, this region has become “one of the most dangerous on earth.”¹⁴² In fact, more people are dying in Central America today, than at the height of its civil wars in the 1980s.¹⁴³ The U.S. is assisting Central America by increasing partnerships and focusing on regional security. CARSI is a direct result of efforts in assisting Central American with these struggles. This \$165 million assistance package was provided to accomplish five goals: 1) create safe streets for the citizens in the region; 2) disrupt the movement of criminals and contraband; 3) support the development of Central American governments; 4) re-establish effective state presence and security in communities at risk; 5) foster enhanced levels of security and rule of law coordination between the nations.¹⁴⁴ As former Secretary of State Hillary Clinton stated, “the United States is committed to citizen safety in Central America... We are doing everything we can in the fight against corruption and impunity, in providing the equipment and the support that law enforcement and military require, and helping to

¹⁴¹ Ibid. p1.

¹⁴² “The International Exploitation of Drug Wars and What We Can Do About It.” Hearing: Subcommittee on Oversight and Investigations of the Committee on Foreign Affairs House of Representatives. 112th Congress. October 12, 2011. Serial No. 112-66.

¹⁴³ Casas-Zamora, Kevin. “The Merida Initiative and Central America.” Conference at the Brookings Institution. May 26, 2009.

¹⁴⁴ “The Central American Regional Security Initiative: A Shared Partnership.” *Bureau of Public Affairs*. Fact Sheet. August 5, 2010.

build civil society to stand against the scourge of drug trafficking.”¹⁴⁵ Thus, U.S. leaders, politicians, and American taxpayers are fully committed to advancing Central America’s security. However, since 2007, instead of yielding positive results, the regional challenges and threats are greater than ever.

Transnational Organized Crime

Since the early 2000s, unless a catastrophic event occurred, Central America has remained out of mainstream U.S. media coverage. However, as crime, gang violence, illicit trafficking and overall transnational crime have rapidly increased over the past decade, Central America has become a focus for reducing threats to U.S. national security. By definition, Transnational Organized Crime (TOC) refers to “individuals who operate transnationally for the purpose of obtaining power, influence, monetary or commercial gains, wholly or in part by illegal means, while protecting their activities through a pattern of corruption and violence, while protecting their illegal activities through a transnational organizational structure.”¹⁴⁶ Specifically in reference to Central America, TOC refers to the drug cartels, gangs, and criminals who illicitly traffic and commit violence, which in turns damages nations and communities. According to the Commander of United States Central Command, Central America presents persistent challenges and complex threats, harboring corrosive criminal violence, permissive environments for illicit activities, and episodic political and social protests.¹⁴⁷ Moreover, President Obama declared in his Strategy to Combat Transnational Organized Crime,

¹⁴⁵ Ibid.

¹⁴⁶ “Strategy to Combat Transnational Organized Crime: Definition.” *National Security Council*.

¹⁴⁷ General John F. Kelly. “Posture Statement of General John F. Kelly, United States Marine Corps Commander, United States Southern Command.” 113th Congress. House Armed Services Committee. March 20, 2013. p2.

“the end-state we seek is to reduce transnational organized crime from a national security threat to a manageable public safety problem in the United States.”¹⁴⁸ TOC is not a new threat to nations or specifically the United States. With 15 percent of the U.S. population of Hispanic decent and on the rise, and as economic relations with Latin America grow at an unprecedented rate; Central America now heavily impacts U.S. national security.

Drug Trafficking & Gangs

Prior to the 1990s, Mexico was the gateway for drugs transported into the United States. Today, Central America has become the primary transit point for drugs to transition from South America, originating from Venezuela, Peru and Colombia, to the United States. Central America’s increased role in drug trafficking has been explained differently by individuals largely depending on who they see as responsible. Ambassador of Honduras to the United States, Roberto Flores, links the increased drug trafficking in Central America to successful interdiction activities in Caribbean countries in the late 1980s. These successful interdiction activities led to increased drug-trafficking to Mexico, solidifying alliances with Colombian cartels, which subsequently caused Mexican traffickers to spill into Central America.¹⁴⁹ Another rationale is that the Bush Administration created strong partnerships with former Mexican President Felipe Calderon, which led to millions of U.S. dollars in assistance to Mexico in their counternarcotics operations. This inevitably caused Central America to become the secondary region to transport drugs to the United States. In addition, some people blame

¹⁴⁸ Obama, Barrack. “Strategy to Combat Transnational Organized Crime: Addressing Converging Threats to National Security.” *National Security Strategy*. July 2011.

¹⁴⁹ Flores, Roberto. “The Merida Initiative and Central America.” Conference at the Brookings Institution. May 26, 2009. Transcript. p18.

immigration laws that have been enforced in the United States since 2002, which have caused over a million illegal Central American immigrants, with a history of prior drug-related or violent offenses, to be deported back to their countries of birth.¹⁵⁰ In turn, these criminals have brought their drug-trafficking skills to Central America to teach the younger generations and influence communities. In the end, TOC networks are now deeply rooted throughout Central America, causing violence and instability in the region.

Specifically, northern countries, such as Guatemala, Honduras and El Salvador, have been infiltrated with TOC due to their proximity to Mexico, ungoverned territories, and vast coastlines lacking territorial control. For example, the Mexico-Guatemala border is 600 miles long and has only 11 formal ports of entry.¹⁵¹ The former head of the United Nations International Commission Against Impunity, Carlos Castresana, reported that drug traffickers control 60 percent of Central America, and that approximately 50 percent of Guatemala is under control of drug traffickers.¹⁵² Moreover, he reported that Panama serves as a major transshipment country due to the immediate proximity to Colombia, both land and sea.

Drug trafficking has led to Central America becoming the world's highest murder rate region, with El Salvador, Guatemala and Honduras murder rates at respectively 58, 45, 84 per 100,000 inhabitants, compared to around 20 per 100,000 for all of Latin America.¹⁵³ Worryingly, a vast majority of the criminals go unpunished due

¹⁵⁰ "Deported Immigrants Come Back to the United States." *U.S. Immigration Support*.

¹⁵¹ Embassy of Mexico. *Toward a Secure and Prosperous Southern Border*. October 2010. Central America Regional Security Initiative: Background and Policy Issues for Congress." *Congressional Research Service*.

¹⁵² J.J.A. "Drug Traffickers Have Stranglehold on Guatemala, Says Top Prosecutor." *El Pais in English*. Madrid. February 23, 2011.

¹⁵³ Lopez, Humberto and Serrano-Berthet Rodrigo. "Crime and Violence in Central America: A Development Challenge." *The World Bank*. 2011. p8.

to weak states and corrupt judicial systems. Over time, this region's economic and physical insecurity will threaten U.S. national security.

Youth Violence

Added to the challenges of transnational crime is the rise in juvenile violence. Specifically, young men ages 15 to 25 are involved in the majority of homicides and crimes, and are their principle victims.¹⁵⁴ Gangs, with members linked from Central America to the United States, have become extremely complex and diverse. Two of the major gangs with strong roots in the United States are the *Mara Salvatrucha* (M-13) and 18th Street.¹⁵⁵ MS-13 was established in the 1980s by Salvadorans in Los Angeles who had fled El Salvador's conflicts, and the 18th Street gang was created by Mexican youth of Los Angeles in the 1960s.¹⁵⁶ Actively recruiting the younger generation, these gangs have succeeded in taking over local communities and ungoverned areas. As in many countries with continuous poverty, inequality, and unemployment, communities are overthrown by criminal or terrorist organizations. The drug-trafficking market has created a cash flow to villages throughout Central America that would otherwise not have enough resources to survive. These children grow up in an environment where drugs are relied upon to feed families and provide basic life necessities. While the United States is focused on defeating TOC networks and affecting their ability to operate, preventative strategies and efforts must remain at the core of strategic planning. Reaching children

¹⁵⁴ Ibid. p15.

¹⁵⁵ Ibid. p15.

¹⁵⁶ Meyer, Peter and Seelke, Clare. "Central America Regional Security Initiative: Background and Policy Issues for Congress." *Congressional Research Service*. 7-5700. R41732. *CRS Report for Congress*. February 21, 2012. p10.

before drug traffickers are able to corrupt and control them is imperative in reducing criminal facilitators.

Challenges of the Central American Drug War

Government Corruption

Another challenge the United States faces with helping secure Central America is corrupt governments and dishonest political systems. Analysts agree it is difficult to precisely measure whether nations are becoming less corrupt, yet, political corruption is perceived to have increased with democratization throughout Central America.¹⁵⁷

Although the United States has partnered with each Central American country, ultimately it is up to the local government to allocate funding toward effective programs to secure the state. For example, the Nicaraguan government failed to account for resources Venezuela provided to fund drug trafficking, therefore, the United States curtailed security assistance to Nicaragua in 2012.¹⁵⁸ More than hindering the international community, corrupt governments affect their own citizens. Law abiding citizens and taxpayers cannot continue to pay taxes, only to watch their government use the funds illegally. Commitment of U.S. resources has failed to significantly change corrupt governments, as the internal issues are too deep and ingrained in political cultures. For these reasons, the United States continues to strengthen partnerships with non-governmental actors in Central America, as it strives towards enabling honest governments, which will benefit both Central America and the United States.

¹⁵⁷ Ruhl, J. Mark. "Political Corruption in Central America: Assessment and Explanation." *Latin American Politics and Society*. University of Miami. 2011. p33. The Sheridan Libraries: Security Studies, Online Resources.

¹⁵⁸ "U.S. Relations with Nicaragua." *Bureau of Western Hemisphere Affairs. Fact Sheet*. January 14, 2013.

U.S. Military Operations in Central America

U.S. Department of Defense directives have been established to deploy U.S. military forces to Central America to assist police and military in increasing public security and enforcing stringent anti-gang laws, specifically in El Salvador and Honduras.¹⁵⁹ The U.S. military is performing operations that it was not primarily trained to do, which is to protect and defend the United States. Since the Cold War, mission creep has become endemic in U.S. military. Presently, U.S. politicians and the DOD are analyzing whether U.S. Armed Forces maintain the correct posture in Central America, yet admit the execution of past operations have failed, causing Central America to become one of the most dangerous regions in the world. An alternative to military engagement is to, withdraw U.S Armed Forces from drug enforcement missions and reallocate the resources to drug enforcement agencies, such as the Coast Guard and Drug Enforcement Agency (DEA).

SOUTHCOM is the “Unified Combatant Command of the Armed Forces of the United States, responsible for conducting military operations and promoting security cooperation in Central America, the Caribbean and South America in order to achieve U.S. strategic objectives.”¹⁶⁰ SOUTHCOM receives guidance from the executive branch and generates requirements directly from the U.S. National Security Strategy. SOUTHCOM’s priorities are captured in three strategic objectives: 1) to defend the

¹⁵⁹ Meyer, Peter and Seelke, Clare. “Central America Regional Security Initiative: Background and Policy Issues for Congress.” *Congressional Research Service*. 7-5700. R41732. *CRS Report for Congress*. February 21, 2012. p12.

¹⁶⁰ General Douglas Fraser. “Command Strategy 2020: Partnership for the Americas.” July 2010. p3.

United States and its interests; 2) foster regional security; 3) serve as an enduring partner of choice in support of a peace and prosperous region.¹⁶¹

SOUTHCOM is challenged to respond to large-scale contingencies, such as mass migration, natural disasters, the evacuation of America citizens, as well as ensuring the security of U.S. embassies, maintaining comprehensive awareness in the southern approaches to the United States, and supporting the National Drug Control Strategy's interdiction objectives.¹⁶² Additionally, SOUTHCOM monitors national security threats in the Western Hemisphere and is prepared to respond to a global crisis and regional security issues.

U.S. politicians and citizens and Central Americans have responded differently to the assistance the U. S. military has provided in the region. Particularly, the efforts to “get tough” on crime, which has brought negative unintended consequences, including severe prison overcrowding.¹⁶³ In turn, prisons have become a method for gangs to recruit new members and strengthen existing bonds. Additionally, using military assets to facilitate drug interdictions and other law enforcement operations is heavily contested, as traditionally the U.S. military has not been structured to execute these missions.

On the other hand, SOUTHCOM's operations provide billions of dollars and resources towards humanitarian and counternarcotics missions, which enables Central America to foster regional security. Moreover, SOUTHCOM is committed to supporting

¹⁶¹ Ibid.

¹⁶² General John F. Kelly. “Posture Statement of General John F. Kelly, United States Marine Corps Commander, United States Southern Command.” 113th Congress. House Armed Services Committee. March 20, 2013. p4.

¹⁶³ Meyer, Peter and Seelke, Clare. “Central America Regional Security Initiative: Background and Policy Issues for Congress.” *Congressional Research Service*. 7-5700. R41732. *CRS Report for Congress*. February 21, 2012. p12.

the National Drug Control Strategy's interdiction objectives and engaging in regional security challenges.

CASE STUDY: Honduras

Honduras represents an interesting case study that displays U.S. military operations in direct response to the U.S. National Security Strategy, respectively in Central America's (CENTAM). This case provides a thorough understanding of the threats escalating in Central America. Ultimately, this case shows that U.S. operations in-country over the past ten years have not advanced U.S. national security interests.

There are several possible course of actions addressing U.S. policy goals in Honduras. First, the Joint Task Force in Honduras could continue current U.S. military operations and provide monetary resources, and use the Joint Task Force-Bravo to support other U.S. agencies and the U.S. State Department in TOC and law enforcement missions. As a second option, U.S. military involvement with Latin America TOC operations could cease and resources be reallocated from Joint Task Force-Bravo to the DEA, Coast Guard and other agencies in combating TOC. Third, the U.S. military's role in assisting and supporting counter transnational organized crime operations could be acknowledged as necessary for securing U.S. interests; however, eliminate Joint Task Force-Bravo as the forward operating base and restructure missions to originate from the United States, such as Florida, Texas or Puerto Rico.

2007 – Present: Honduras and the United States

With a population of approximately 8 million, Honduras shares land borders with Guatemala, El Salvador, and Nicaragua, while possessing a dual coastline with the Pacific Ocean to the southwest and the Caribbean Sea to the north.¹⁶⁴ Transnational organized crime, poverty and official corruption are the dominant civil issues that contribute to the country's daunting social problems, which promote the vitality of the country's drug trade. According to a United Nations report, Honduras is now the deadliest place in the world.¹⁶⁵ Foreign Policy reported that, "per capita, more people are murdered here than in any other country, including Iraq and Afghanistan. And it's getting worse."¹⁶⁶ Honduras' extensive, sparsely populated border with Guatemala and political instability, which also affects the country's relationship with the United States, intensifies these issues. The U.S. Drug Enforcement Administration (DEA) estimates that one-third of the world's cocaine volume moves through Honduras every month, which makes Honduras the world's largest primary transshipment point for cocaine.¹⁶⁷ The amalgamation of these problems poses the concerning question, *how has Honduras developed into such a dangerous and threatening country, when it is the only Latin American country where the United States has not only established a major presence but is actively engaged in assisting the Honduran military and populace?*

A highly contested event occurred on June 28, 2009, where the Honduran Supreme Court issued an arrest order for President Zelaya and formally removed him as

¹⁶⁴ "The World Factbook. Honduras." *Central Intelligence Agency*. February 5, 2013.

¹⁶⁵ "Global Study on Homicide." United Nations Office on Drugs and Crime. Vienna. 2011.

¹⁶⁶ Ibid. p36.

¹⁶⁷ Ibid. p36.

President.¹⁶⁸ The Obama administration harshly responded by suspending U.S. assistance to counternarcotics objectives and labeled the situation a coup.¹⁶⁹ Immediately, funding for Honduran military and law enforcement programs were cut by the State Department. The coup occurred because the Honduran people did not agree with Zelaya and Venezuelan President Hugo Chavez's close ties, and they were afraid Chavez would influence Zelaya into reducing democracy in Honduras, similar to what Chavez had done in Venezuela. Indeed, Chavez had formed an alliance with Honduras in order to continue using Honduras as the primary country to transit drugs through air and sea routes. Originating almost exclusively in Venezuela, drugs have caused Honduras to become the primary landing point for suspect non-commercial air operations.¹⁷⁰ The suspension of U.S. assistance, due to the coup, caused a larger problem for the United States. Chaos, lack of government control, and limited resources allowed drug trafficking organizations (DTO) and TOCs to increase the flow of contraband transiting Honduras. DTOs/TOCs and Honduran contributors utilize Honduran farms to stockpile military-grade arms, grenades, and rocket-propelled grenades for smuggling into Mexico and cocaine for arms deals.¹⁷¹

U.S. Operations in Honduras

Soto Cano Air Base is a Honduran military installation, recognized by the DOD as Joint Task Force-Bravo (JTF-B). Located on Soto Cano Air Base is the largest air strip in Central America, which is maintained by the U.S. Air Force. Comprised of more

¹⁶⁸ "Holding Honduras Hostage: Revoked Visas and U.S. Policy." *112th Congress. Committee on Foreign Affairs. House of Representatives*. Serial N. 112-55. June 14, 2011. p3.

¹⁶⁹ *Ibid.* p3.

¹⁷⁰ Honduras. DEA-ORCON. p16.

¹⁷¹ *Ibid.* p15.

than 600 U.S. military personnel and more than 650 U.S. and Honduras civilians, JTF-B works to build partnerships with Honduras and other Central America countries to foster security, stability and prosperity for the Americas.¹⁷² JTF-B conducts a variety of missions in Central and South America, from supporting U.S. Government operations to countering transnational crime to humanitarian assistance and disaster relief and building partner capacities. JTF-B supports joint, interagency, and combined operations to disrupt transnational criminal networks and reduce transnational organized crime from a national security threat to a manageable public safety problem within Central America. From 2007 to 2012, JTF-B executed approximately \$300 million to sustain the base and achieve SOUTHCOM objectives. In accordance with the SOUTHCOM Command Strategy for 2020, JTF-B conducts operations to furthering U.S. strategic objectives.

Analyzing the following U.S. operations performed in Honduras will determine whether U.S. presence in Honduras strengthens the U.S. National Security Strategy and/or contributes to Central America's overall regional stability.

Medical Readiness Training Exercise (MEDRETE)

U.S. military personnel assigned to JTF-B have been conducting medical readiness training exercises in Honduras since 1993. In 2012, approximately 41,949 medical patients throughout Central America and Honduras, in eleven distinct MEDRETEs, were treated. These missions enhanced U.S. and Honduran relations through medical training with Honduran military forces and local civilian organizations, while supporting the Ministry of Health's efforts to provide medical care to the Honduran population. JTF-B unites key members of the U.S. and Honduran governments as well as

¹⁷² Joint Task Force-Bravo. Fact Sheet. January 2013.

non-governmental organizations. The average MEDRETE involves providing primary care at remote locations in conjunction with the Honduran Ministry of Health including, but not limited to: preventative medicine education, primary medical care, immunizations, and dental activities including fluoridation, dental extractions, and oral hygiene education.¹⁷³

For MEDRETEs operations outside of Honduras, U.S. military aircraft are used to transport the team, which usually encompasses between 30 to 50 personnel, comprised of air crew, medical personnel, administrative personnel and Honduran liaison officers. Calculating fuel and man-hours to fly the aircraft, medical supplies used and distributed to patients, plus each member's per diem expenses, an average cost per MEDRETE can quickly surpass \$200 thousand. MEDRETEs within Honduras are executed using either military aircraft or ground transportation, similarly exhausting hundreds of thousands of dollars. Locations and populace chosen where MEDRETEs are performed, prior to 2013, were selected by the U.S. Embassies throughout Central America, as well as the respective country's Ministry of Health. Typically, remote villages with extreme poverty and limited access to medical facilities were chosen. Without question, these MEDRETEs provide superb medical treatment for Central Americans they would otherwise never have received, including life saving surgeries. The dilemma arises when, after 19 years of providing expensive and time-consuming MEDRETEs, transnational organized crime, drug trafficking, and government corruption has increased, specifically in Honduras. SOUTHCOM cannot continue to justify these operations, year after year, when the only positive take-away from those MEDRETEs has been fostering regional security and preventative medical assistance. It has taken the United States decades and

¹⁷³ Ibid.

millions of dollars to finally realize providing MEDRETEs throughout Central America will not stop TOC from increasing, nor will it disrupt illicit trafficking.

Beginning in 2013, JTF-B has changed the vision of future MEDRETEs, by strategically selecting locations where drug trafficking primary influences the majority populace. For example, in February 2013, JTF-B performed a four-day MEDRETE in the Darien province villages in Panama, which borders Colombia and is known as a safe-haven for the terrorist organization Revolutionary Armed Forces of Colombia (FARC). Although it is too soon to see any strategic successes from this MEDRETE, SOUTHCOM will continue to monitor changes in illicit trafficking routes in this specific region.

Assuming future MEDRETEs are targeted to strategic locations and predicting the missions advance U.S. national interests, the analysis of whether U.S. operations need to be based in Honduras still remains. Does U.S. presence in Honduras strengthen U.S. national security? In other words, could the United States still continue these MEDRETEs throughout Central America without physically originating from Honduras? These missions could be successfully performed if U.S. presence was not in Honduras. More specifically, MEDRETE teams could originate from U.S. military bases in Florida or other bases within the United States. Had the MEDRETE to the Darien province in Panama been based out of the United States, the military would have saved over fifty thousand dollars in transporting the members to Panama. Overall, SOUTHCOM objectives could be achieved even if U.S. presence was not in Honduras. Although Central America's regional stability is strengthened through MEDRETEs, defending the United States and its interests, fostering regional security, and serving as an enduring

partner are objectives the United States could still accomplish if JTF-B was relocated from Honduras to the United States.

Central America Sharing Mutual Operational Knowledge and Experiences (CENTAM SMOKE)

Exercise CENTAM SMOKE is a quarterly, four-day exercise that trains up to 35 firefighters from throughout Central America in areas from personnel protective equipment to helicopter egress operations to basic medical procedures.¹⁷⁴ The primary purpose of conducting Exercise CENTAM SMOKE is to support DOD aircrews operating in Central America by training neighboring Central American firefighters and increasing mutual aid posture. CENTAM SMOKE provides hands-on training with U.S. air assets to facilitate future disaster relief efforts and medical evacuations and promote regional cooperation through peacetime engagement to improve collective capabilities and strengthen regional partnerships.¹⁷⁵ Since 2007, JTF-B has trained 730 firefighters from Central America, including the Honduran Air Force Academy.¹⁷⁶

Ensuring Honduran firefighters are equipped for disaster relief efforts and firefighting skills is an absolute necessity for Honduran stability. In fact, one of the world's deadliest prison fires occurred in February 2012, in Comayagua, Honduras, approximately three miles from Soto Cano Air Base, where 355 people died.¹⁷⁷ In 2003 and 2004, two other prison fires resulted in the death of 176 inmates, where government

¹⁷⁴ Ibid.

¹⁷⁵ Ibid.

¹⁷⁶ Ibid.

¹⁷⁷ Medoza, Martha. "Honduras Prison Fire: Most Inmates In Deadly Blaze Were Not Convicted." *Associated Press*. February, 16, 2012.

officials were convicted of starting the fire.¹⁷⁸ Moreover, the U.S. State Department has criticized Honduran prisons and detention centers, stating that prisons are severely overcrowded, malnutrition endemic, and prisoners subject to various abuses.¹⁷⁹ The Associated Press reported that Honduran prisons operate more like a “free-market bazaar,” where inmates sell everything from iPhones to prostitutes, and consist of 800-plus prisoners in ten cellblocks.¹⁸⁰ Moreover, the Inter-American Commission on Human Rights said the Honduran government has “all but abandoned its penitentiary system.”¹⁸¹

Undeniably, the efforts of JTF-B to train Honduran firefighters provide opportunities for acquiring valuable skill sets, which increase the country’s stability and save lives. However, JTF-B presence in Honduras has not been able to reduce corruption in the Honduras government, which in these specific examples of prison overcrowding and fires, could have been avoided. Furthermore, CENTAM SMOKE exercises could be executed without U.S. presence based in Honduras. These quarterly missions can maintain Central America’s regional stability and advance enduring partnerships if JTF-B was relocated from Honduras to the United States.

Counter Transnational Organized Crime (C-TOC)

Joint Task Force-Bravo’s number one priority is countering transnational organized crime, by transporting items by ground and air for interagency operations within Honduras and throughout Central America and sustaining three forward operating locations with refueling capabilities within Honduras. Missions, which involve any

¹⁷⁸ Ibid.

¹⁷⁹ “Honduras.” *Bureau of Democracy, Human Rights, and Labor. U.S. Department of State.* March 6, 2007.

¹⁸⁰ Arce, Alberto. “Inmates, Corruption Rule Honduras’ Deadly Prisons. *Associated Press.* May 27, 2012.

¹⁸¹ Ibid.

degree of countering transnational organized crime, are commonly known as C-TOC. Essentially, JTF-B is a forward stationed C-TOC asset, assisting U.S. and partner nations in efficiently detecting, monitoring, and interdicting TOC operations within Central America. One common misconception is that JTF-B and DOD personnel actually conduct the C-TOC objectives; however, Honduras is a sovereign nation, which imposes a multitude of limitations for DOD. Therefore, the DOD is highly restricted from directly engaging in C-TOC missions. For example, JTF-B is required to land helicopters at least 500 meters from a hostile environment, whether transporting Honduran military, equipment, or personnel. Unlike in Iraq or Afghanistan, where other agencies lead all C-TOC missions, and DOD is only authorized to provide support, such as refueling and transportation capabilities, any operation must be coordinated through and with the Honduran government and military.

As drug trafficking increases in Honduras, and simultaneously Colombia and Venezuela amplify the drug routes originating in Honduras, SOUTHCOM's mission is directed towards countering these threats. In fact, in 2012, JTF-B participated for the first time, in a mission known as Operation Anvil, where the U.S. military teamed with the U.S. State Department, the DEA and the Honduran police to detect heavy drug trafficking in specific areas in Honduras over a duration of approximately sixty days. Suspicious aircrafts, boats, and villages were monitored and intercepted to confiscate illegal substances. After two months of Operation Anvil, five interdictions resulted in the seizure of 2,360 kilograms of cocaine (approximately three quarters of a ton), seven detainees, and sixteen pending indictments.¹⁸² Dedicating six months towards this operation and spending roughly \$200 million, the tangible results achieved could have

¹⁸² Joint Task Force Bravo. Information Paper. March 6, 2013.

been attained a multiple of other ways. The amount of cocaine confiscated during Operation Anvil does not equate to nor surpasses the resources exhausted.

95 percent of the drug flights from South America to Central America land in Honduras, making the country the primary landing point for suspect non-commercial air operations.¹⁸³ Furthermore, the U.S. government estimates that 47 metric tons of cocaine entered Honduras in 2010.¹⁸⁴ Therefore, assuming the amount of cocaine that transited through Honduras in 2012 was between 47 to 55 metric tons, then the three quarters of a ton seized in Operation Anvil has an extremely minimal impact to C-TOC.

Moreover, JTF-B's primary role in C-TOC operations is to support other agencies, specifically the U.S. State Department, either by providing refuel capabilities, medical assistance, or transporting equipment via land or air. In other words, JTF-B does not have authorization to directly interfere with TOC in Honduras. JTF-B is only authorized to provide support. Therefore, maintaining Soto Cano simply to provide assistance to other agencies is not the most efficient use of U.S. resources.

Why the U.S. Military Continues to Stay

U.S. military presence in Central America, and throughout Latin America provides a sense of stability and perception of protection. Specifically regarding JTF-B, the MEDRETEs, CENTAM SMOKE, and C-TOC operations direct contribute to U.S.–Honduras nation building objectives and provide a model for future military units to follow in sovereign nations. Unlike recent areas of responsibility, such as Iraq and Afghanistan, Honduras is argued to be the first opportunity for the U.S. military to train

¹⁸³ Ibid.

¹⁸⁴ Ibid.

in C-TOC environments, in a sovereign nation, operating with constrained authorities. JTF-B is fully nested with the host nation in engaging in missions, as each flight that lands or departs from Soto Cano must first receive host nation approval.

JTF-B is effective in training Honduran military to counter TOC missions on their own. JTF-B uses C-TOC and MEDRETE missions to account for flying hours in keeping U.S. military pilots and aircrew qualified. JTF-B is successful at providing humanitarian assistance throughout Central America, sponsoring multiple orphanages, supporting non-governmental organizations, and responding with disaster relief. For these reasons, SOUTHCOM continues to fund JTF-B as a mission requirement and maintains JTF-B's presence in Honduras as necessary in disrupting drug flow and overall decreasing transnational organized crime.

Conclusion

Transnational organized crime is a significant threat to national and international security. It is a global issue with global implications and it affects U.S. interests throughout all international areas. Threats to the United States exist in Central America, primarily as a result of drug trafficking organizations, which lead to government corruption and economic breakdown. Moreover, due to proximity, the United States must remain engaged with the nations in our shared Western Hemisphere. U.S. national security is vulnerable if co-located in a region with criminally-governed spaces.¹⁸⁵

Fighting the war on drugs and responding to crises resulting from drug-related issues should ultimately be the responsibility of law enforcement agencies, with minimal

¹⁸⁵ General John F. Kelly. "Posture Statement of General John F. Kelly, United States Marine Corps Commander, United States Southern Command." 113th Congress. House Armed Services Committee. March 20, 2013. p11.

assistance from the DOD. Specifically, U.S. military assets should be used to help with training, logistical support, and military-to-military relationship building between nations. Extending U.S. military involvement by establishing an enduring presence has had minimal positive results in Honduras. Moreover, even with a large U.S. military presence in Honduras, the country has become the gateway for drug trafficking in the Western Hemisphere and one of the most dangerous countries in Latin America.

Within Honduras, the state capacity is weakening and corruption and impunity are rampant. This corrosive expansion is taking place in the context of deteriorating citizen security, where the number of people killed rivals that of Iraq at the height of sectarian violence.¹⁸⁶ After investing billions of dollars into JTF-B over decades, there is a minimal return for the United States in Honduras. Without question, the United States has been able to extend diplomacy through humanitarian and disaster relief efforts through JTF-B; however, these partnership-building missions could have been accomplished using JTF-B as the forward operating base. It is not only possible, but extremely cost effective, for the U.S. Air Force to continue maintaining the Soto Cano runway for future missions, without the JTF-B presence.

In order to determine the best use of resources, especially during an era of budget austerity for the United States, the military's decision to remain postured in Honduras must be reevaluated. SOUTHCOM's counter transnational organized crime efforts can continue to remain aligned with counterterrorism objectives without being physically based in Honduras. Additionally, the United States can still maintain vigilance in monitoring and guarding against an opportunistic or growing nexus between foreign

¹⁸⁶ Ibid.

terrorist organizations and transnational organized criminal without JTF-B presence in Honduras.

CHAPTER THREE: EXAMINING CHINA & LATIN AMERICA RELATIONS

Introduction

China's emergence, as a global power, yields profound implications for the security and economic U.S. interests. The magnitude of China's "going-out" strategy to secure nature resources to fuel its quest for global power is unprecedented. Within the United States, two views are predominantly debated on how best to interpret China's soft power projection, specifically with countries in Latin America. Whereas one side argues that China's expanding presence in Latin America is principally a threat, the other side views China's rise as harmless and in logically positive for U.S. interests. This paper seeks to evaluate how the United States should respond to China's aggressive achievements towards becoming a developed nation by expanding into Latin America's doorstep in pursuit of natural resources.

Now, better and cheaper trade routes have allowed a global economy, in which other factors, such as climate control, freshwater availability, sea water levels, and a country's wealth – combining gross domestic product (GDP) and collective knowledge – will ultimately determine how well a country can harvest natural resources or afford to import or genetically reproduce them.

This chapter will explore the benefits and risks associated with the LAC–China trade in natural resources. Additionally, this chapter examines why China has targeted natural resources in LAC and the way in which China's raw material scarcity, combined with a rampant population and industrial growth, is of grave concern to China's populace and countries relying on products produced in China. By exploring the dominant LAC countries exporting natural resources to China and analyzing how the future of the

commodities will yield fruits of growth for these countries, the United States will be in a position to assist China's quest in LAC or stand aside. Ultimately, this paper will highlight how LAC's natural resource endowments are vital to economic growth and an economic relationship with China.

The China–LAC economic relationship was almost nonexistent until the 21st century, in which an incline in natural resources sparked, and continued to fuel, trade between these nations. China is one of the most important engines of the international economy, currently using 40 percent of cement, 31 percent of coal, 30 percent of iron mineral, 27 percent of steel, 25 percent of aluminum, and 20 percent of copper worldwide.¹⁸⁷ From 2000 to 2010, annual trade, including natural resources, grew between LAC and China by 1,200 percent from \$10 billion to \$130 billion.¹⁸⁸ As a result, Latin American countries heavily depend on China as a market for their exports.

Renewable resources, such as water, fisheries and soybeans are some of the world's most precious natural commodities.¹⁸⁹ Non-renewables, such as oil, gas, and metal ores are used to convert energy, and without this energy the world that operates in the 21st century would come to a halt. Countries strive to manage natural resources and allocate resources towards innovative technologies. Indeed, possessing diverse characteristics amongst countries creates competitive advantages.

¹⁸⁷ Leon-Manriquez, Jose. "China's Relations with Mexico and Chile: Boom for Whom?" *China Engages Latin America: Tracing the Trajectory*. Lynne Rienner Publishers. 2011. p162.

¹⁸⁸ Koleski, Katherin. "Backgrounder: China in Latin America." U.S.-China Economic and Security Review Commission. May 27, 2011. p4.

¹⁸⁹ World Trade Report 2010: Trade in Natural Resources. World Trade Organization. 2010. p40.

China's Natural Resource Scarcity

Beginning around 2002 and 2003, the Chinese economy entered a period of energy and capital-intensive heavy industrial growth. Between 2000 and 2008, China was responsible for two-thirds of total global growth for steel and aluminum and for an even higher percentage in global demand for copper.¹⁹⁰ This, in turn, intensified demand for raw materials, including a range of minerals, metals, energy sources, to feed heavy industries. In order to satisfy this demand for heavy industrial production, China increasingly turned to commodity-rich countries in Latin America.¹⁹¹ Due to this commodity boom, the volume and price of specific minerals, energy, and agricultural commodities skyrocketed, and China's demand for Latin American mineral, energy, and agricultural commodities surged.

China's interests in Latin America caught the United States by surprise in 2005, when former President Jiang Zemin embarked on a 13-day tour of Latin America. Current Chinese President, Xi Jinping, took his second trip to Latin America in July 2014, where he attended the Community of Latin American and Caribbean States (CELAC) meeting in Brazil, followed by visits to Argentina, Venezuela, and Cuba where China maintains substantial energy-related interests. China's progress to develop and modernize by tapping into regions, such as Latin America, has become an expected due to its immense natural resource demand. With a near ten percent economic growth rate, China has an unprecedented resource requirement.¹⁹² China's population of 1.4 billion

¹⁹⁰ Barry van Wyk. "The China Factor: Supplying China's Phenomenal Demand for Natural Resources." *The China Analyst*. August 2010. p6.

¹⁹¹ Ferchen, Matt. "China-Latin America Relations: Long-term Boon or Short-term Boom?" *The Chinese Journal of International Politics*. 2011. p4.

¹⁹² Economy, Elizabeth and Levi, Michael. "By All Means Necessary. How China's Resource Quest is Changing the World." *A Council on Foreign Relations*. 2014. p1.

entails a growing middle class, becoming primarily a consuming society, and surpassing China's ability to produce the resources needed to fuel its own economy. Although China prospers from a large diverse nation, bountiful of natural resources, the raw materials and natural resources are still not enough to sustain its populace and agriculture. Conversely, all countries in Latin America combined boast only half of the population in China: 581.5 million people. During the last two decades, China has sustained a two-digit rate of growth; therefore, analysts have concluded that for China to continue this growth, it necessitates a stable trading relationship with regions where raw materials and natural resources are plentiful.¹⁹³ There is where Latin America comes in.

Throughout the 1500s, the Spanish Empire and other European explorers ransacked LAC from all their gold and silver – leading to the historical Gold Rush and the story of *El Dorado*. More recently, during the nineteenth and twentieth centuries, the United States continued to exploit natural resources in LAC – creating the pejorative term of a *Banana Republic*. The LAC–China relationship could be the first time in LAC's history that there is fair trade. However, while this paper does not seek to analyze the financial or economic fairness of the LAC–China trade, this paper does recognize that LAC has historically had a significant international role on the matter of supply and demands of natural resources.

In order for China to meet their manufacturing and production demands globally, it must import raw materials from abroad. Energy resources and raw material, if not imported into China, are not sufficient solely from China's natural production. China's foresight of their economic and environment capabilities has allowed them to capitalize

¹⁹³ “Ten Years After the Take-off: Taking Stock in China-Latin America and the Caribbean Economic Relations.” Inter-American Development Bank (IDB). October 2015. p5.

on the phrase *Going-Out*, demonstrating their proactiveness to seize natural resources around the world. Former diplomat from the Mexican Ministry of Foreign Affairs, Jose Leon-Manriquez, validates China's demand for natural resources due to China's "need to imitate the technological patterns of foreign leaders, the intensive use of labor, and a voracious appetite for commodities and energy resources that are key propellants to economic takeoff."¹⁹⁴ China's thirst to expand globally comes at a trade-off, which is either to deplete their own country's raw materials, or partner with nations eager to trade their natural resources for China's cash. Resource nationalism takes over, which leaves China without options but to seek out countries fortunate enough to abundantly produce raw materials.

Latin America not only satisfies China's requirement, but also enables the United States to continue importing products produced in China, using raw materials from LAC. Compared to the United States, China's raw commodities demand is preponderant. This two-way beneficial trade relationship, although nascent, has captured the attention of both foreign analysts and economists to analyze and predict how the United States should respond to this aspect of globalization.

CASE STUDY: Latin America to China's Rescue

Natural Resource Abundance in Latin America

Scholars are not astonished by Latin America's magnificent supply of natural resources. On the contrary, the plethora of raw commodities has been a blessing to Latin America. Indeed, LAC's production of precious metals, sugar, rubber, grains, coffee,

¹⁹⁴ Leon-Manriquez, Jose. "China's Relations with Mexico and Chile: Boom for Whom?" *China Engages Latin America: Tracing the Trajectory*. Lynne Rienner Publishers. 2011. p162.

copper, and oil have, at various periods of history, enabled certain countries some of the most prosperous in the world.¹⁹⁵ Acknowledged in a World Bank report, “Latin America produced around 80 percent of the world’s silver in the 16th through 19th centuries, fueling the monetary systems of not only Europe, but China and India as well. Because so much of the riches brought to Brazil by the discovery of gold in the late 1600s were spent on imports from England, some historians claim that this was instrumental in laying the foundation for the Industrial Revolution.”¹⁹⁶ For these reasons, LAC’s ability to remain a rich natural resource country has been expected by the international community; however, China’s blossomed attraction for LAC has taken the world by surprise.

China and LAC’s economic relationship was built on the “sheer complementarity of their resource endowments: China’s scarcity versus LAC’s abundance of natural resources.”¹⁹⁷ China’s globalization and rising demand of natural resources is reshaping Latin America’s political economy. This demand is viewed by academics as a “unitary historical process that is changing configurations of wealth and power in Latin American societies.”¹⁹⁸ Basically, the LAC countries primarily exporting to China, are developing at a quicker rate than other countries. This is concerning due to the fact that Latin America’s GDP is primarily generated by a minority of countries. The following seven dominant countries supplying natural resource commodities make up approximately 85 percent of regional GDP: Argentina (agricultural export commodities), Chile (copper),

¹⁹⁵ Sinnott, Emily and Nash, John. “Natural Resources in Latin America and the Caribbean: Beyond Booms and Busts?” The World Bank. 2010. pIX.

¹⁹⁶ Ibid. pIX.

¹⁹⁷ “Ten Years After the Take-off: Taking Stock of China–Latin America and the Caribbean Economic Relations.” Inter-American Development Bank (IDB). October 2010. p1.

¹⁹⁸ Armony, Ariel and Strauss, Julia. “From Going Out to Arriving In: Constructing a New Field of Inquiry in China-Latin America Interactions.” The China Quarterly Special Issues. Cambridge University Press. March 2012. No. 11. p9.

Colombia (oil), Mexico (hydrocarbons), Peru (mining), and Venezuela (hydrocarbons).¹⁹⁹ Moreover, there are only a few LAC countries exporting natural resources to China, therefore, these specific countries have a competitive advantage over their neighbors and other countries. Though it is conceded that an emergent gap in GDP has developed in Latin America, it is also still convinced that over time, additional LAC countries will effectively manage their natural resources to not only maintain resource nationalism but also to meet China's demand and receive capital in return.

In 2003, the commodity boom transpired, then burst in 2008, causing stock prices of natural resources to drastically drop. Specifically, nickel, copper, aluminum, and soybeans fell respectively 55, 53, 36, and 18 percent.²⁰⁰ Nevertheless, China's demand for these raw materials continued unabated, which provided Argentina, Brazil, Uruguay and Paraguay hard currency by exporting soy beans and soy oil.²⁰¹ Moreover, Chile and Peru benefited from China's necessity for copper, and Ecuador and Venezuela prospered due to their petroleum exports. While the rest of the world suffered from the 2008 economy crash, China provided Latin America with a reliable cash flow through trading natural resources. From 2000 to 2008, LAC's exports to China grew at an average rate of 40.2 percent.²⁰² In a testimony before the House Committee on Foreign Affairs, Subcommittee on the Western Hemisphere in 2008, Senior Advisor Daniel Erikson noted the pace of trade between China and LAC had skyrocketed from \$10 billion to over \$100

¹⁹⁹ Sinnott, Emily and Nash, John. "Natural Resources in Latin America and the Caribbean: Beyond Booms and Busts?" The World Bank. 2010. p21.

²⁰⁰ Nguyen, Pham. "Commodity Boom Turns Bust in 2008 as Worldwide Economy Crumbles." Bloomberg. January 1, 2009.

²⁰¹ Leon-Manriquez, Jose. "China and Latin America: A New Era of an Old Exchange." *China Engages Latin America: Tracing the Trajectory*. Lynne Rienner Publishers. 2011. p10.

²⁰² Arnson, Cynthia and Davidow, Jeffrey. "China, Latin America, and the United States: The New Triangle." Woodrow Wilson International Center for Scholars. Institute of the Americas. Chinese Academy of Social Sciences. January 2011. p11.

billion.²⁰³ As China's demand remains, this two-way beneficial relationship between China and Latin America will endure.

Trade Agreements

China's FTAs with Latin America signify the bilateral relationship that both countries are taking to reduce tariff costs and trade barriers. Reducing these trade obstructions creates more stability within Latin America and will make it easier for other LAC countries to open trade agreements with China. Currently, China has FTAs with Chile (2006), Peru (2009), and Costa Rica (2010), including both goods and services.²⁰⁴ By 2020, China's commodity import demand is expected to exceed ten percent each year. From 2006 to 2020, China's demand for iron will go from 148 million tons to 380 million tons, copper will go from three million tons to 600 million tons, and soy from 26 million tons to 80 million tons.²⁰⁵ This data demonstrates that LAC governments have slightly shifted their dependence on the United States and are exploring promising partnerships with China.

Chile

As the first LAC country to authorize a FTA with China, Chile is proving to neighboring nations that natural resource trading will result in increased GDP and boost overall well-being. Chile and China's diplomatic relations were established in 1970,

²⁰³ Erikson, Daniel. "The New Challenge: China and the Western Hemisphere." *Testimony before the House Committee on Foreign Affairs, Subcommittee on the Western Hemisphere*. Inter-American Dialogue. June 11, 2008.

²⁰⁴ "Ten Years After the Take-off: Taking Stock of China-Latin America and the Caribbean Economic Relations." Inter-American Development Bank (IDB). October 2010. p15.

²⁰⁵ Gallagher, Kevin. "The Dragon in the Room: China & the Future of Latin American Industrialization" Stanford University Press. 2010. p26.

which have progressed towards a healthy economic relationship. Ranging in a variety of exports to China, Chile's resources entail agricultural products, cellulose, sea products, and chemicals.²⁰⁶ Chile is the largest copper exporter in the world, and China is the largest importer of the metal, occupying almost 20 percent of the world market.²⁰⁷

Brazil

Brazil was one of the initial South American countries to embrace globalization and partner with China. Brazil already supplies China with \$1.7 billion in agricultural products, which equals eight percent of Brazil's total agricultural exports, with soy constituting 90 percent of the total."²⁰⁸ In addition to soy, Brazil is a significant contributor of iron ore to China.

Argentina

Moreover, Argentina's production of soybeans and soybean oil has been a foundational trade commodity with China. Through the aforementioned blend of investments in natural resources, China has secured a presence within Latin America. This manifestation is forecasted to gain momentum as China is unlikely to internally source enough raw materials and energy self-sufficiently.

²⁰⁶ Leon-Manriquez, Jose. "China's Relations with Mexico and Chile: Boom for Whom?" *China Engages Latin America: Tracing the Trajectory*. Lynne Rienner Publishers. 2011. p165.

²⁰⁷ Ibid.

²⁰⁸ Devlin, Robert and Estevadeordal, Antoni. "The Emergence of China: Opportunities and Challenges for Latin America and the Caribbean." Inter-American Development Bank. *David Rockefeller Center for Latin American Studies*. Harvard University. p128.

Mining

Whereas China is the world's largest producer of rare earths and steel, and the third largest producer of iron ore, it is also the world's largest consumer of steel and metals.²⁰⁹ China's demand for these raw materials will continue to increase, to the extent China continues to be in the forefront of car manufacturing, appliances, railroad construction and naval fleet innovation. Researchers and mining officials estimate that Chinese direct investment in Latin America from 2005, to 2011, was approximately \$50 billion.²¹⁰ China's heavy involvement with LAC's mining commodities, specifically copper, is uncontested.

Scholars estimate that by 2020, "China will be self-sufficient in only five of the nineteen major metal minerals."²¹¹ Facing this reality, China tightened the reins on its resource nationalism policy. Beginning in the 1990s, Chinese companies implemented their *Going Out* strategy in Latin America by acquiring an iron ore mine in Peru in 1993, called Shougang Hierro Peru, S.A. (SHP).²¹² China's globalization in the mining industry was strategic, in that they deliberately engaged with developed mining companies in lieu of national governments. Although relatively small, Peru is a "heavily mining based economy that is almost exclusively geared towards commodity export."²¹³ Peru's mineral exploitation accounts for one-fourth of tax revenues and six percent of

²⁰⁹ Reuters. "China Says Top 10 Steel Mills to Control 60 Percent of Capacity by 2015." Fox Business. January 22, 2013.

²¹⁰ Irwin, Amos and Gallagher, Kevin. "Chinese Mining in Latin America: A Comparative Perspective." *The Journal of Environment Development*. 2013. p208.

²¹¹ Hearn, Adrian and Leon-Manriquez, Jose. "*China Engages Latin America: Tracing the Trajectory*." Lynne Rienner Publishers. 2011. p51.

²¹² Shougang International.

²¹³ Strauss, Julia. "Framing and Claiming: Contemporary Globalization and "Going Out" in China's Rhetoric towards Latin America." School of Oriental and African Studies (SOAS). University of London. *The China Quarterly Special Issues*. No. 11. p146.

GDP.²¹⁴ Thirty-four percent of mineral investments in Peru are from China, and Peru represents 26 percent of China's global mergers and acquisitions.²¹⁵ Covering 670 square kilometers in Peru, the iron ore extracted with copper resource exceeds seven million tons annually, which is used to manufacture goods in China later exported throughout the world. Shougang Corporation is one of China's largest steel companies, where iron and copper is imported into China, then products, such as steel, mechanical, electrical products, metallurgical materials, iron mineral products, equipment and spare parts are manufactured and exported.²¹⁶ China's consumer dominance over LAC's mining industry could allow for suppliers, such as Peru and Chile, to allocate generated revenue toward research and development innovation to more efficiently extract resources. This is exactly where the United States can have an active role in encouraging these nations to priorities revenue to science, technology, engineering and math education programs and research industries.

Response from the United States

Through official diplomacy and public avenues, China has emphasized that mutually beneficial ties with Latin America is a logical outcome of relations with China, itself a developing nation.²¹⁷ China has embassies and consulates in 20 Latin American countries, including Venezuela, Argentina, Cuba, Brazil, Colombia, Chile, Mexico, Peru

²¹⁴ Arnson, Cynthia and Davidow, Jeffrey. "China, Latin America, and the United States: The New Triangle." Woodrow Wilson International Center for Scholars. Institute of the Americas. Chinese Academy of Social Sciences. January 2011. p26

²¹⁵ Ibid. p27.

²¹⁶ Shougang International. *China Shougang International Trade and Engineering Corporation (CSGI)*.

²¹⁷ Ferchen, Matt. "China-Latin America Relations: Long-term Boon or Short-term Boom?" *The Chinese Journal of International Politics*. 2011. p2.

and Ecuador.²¹⁸ Additionally, China has established Confucius Institutes around the globe, including one in Costa Rica and Ecuador, two in Argentina, Chile and Colombia, and three in Brazil, four in Peru, and five in Mexico.²¹⁹ Conservative scholars insist the enhanced relationship between Latin America and China will inevitably mix into culture conformations, which could possibly lead to influences within governments. Deputy Director of the Institute of Latin American studies and Chinese Academy of Social Sciences remarked, “since Latin America entered the 21st century, democracy has been all the more resilient and, with the rise of the left, political dualism has been reinforced.”²²⁰ In reality, Ecuador, Bolivia, and Venezuela are structuring policies around anti-American principles and straying from democratic principles. However, these democratic shifts are not a result of economic relations with China. China’s government is not influencing Latin America with socialist or communist ideologies. The United States remains the largest single source of foreign direct investment into Latin America. The economic presence of the United States is still huge, even with trade diversification. Therefore, the United States is not threatened by China’s thirst for natural resources within Latin America. Furthermore, U.S. officials have suggested that Chinese engagement with Latin America could lead to increased U.S.–Chinese cooperation on matters affecting regional stability, especially terrorism, transnational crime, and counternarcotics.²²¹

²¹⁸ Chinese-Embassy Info. *Chinese Embassy*. Accessed June 25, 2014.

²¹⁹ Confucius Institutes Around the Globe. *University of Nebraska-Lincoln*. Accessed on July 8, 2014.

²²⁰ Shixue, Jiang. “Factors Affecting Latin America’s Development Prospects.” *Chinese International Studies*. No. 11. Summer 2008. p1.

²²¹ “China’s Foreign Policy and Soft Power in South America, Asia, and Africa.” 110th Congress 2d Session. *Congressional Research Service Library of Congress*. April 2008. p29.

Beginning in 2005, China's increasing linkages and intentions in Latin America caused growing concerns within the U.S. Congress. House and Senate sub-committees held hearings on China's role in Latin America, which the U.S. China Economic and Security Review Commission held hearings on China's global expansion, including the Western Hemisphere.²²² Those who assert that China's booming presence in Latin America could become a threat to the United States insist that the United States must be watchful of China's actions in the hemisphere. These observers consider that by "presenting an alternative political and economic model – rapid economic growth and modernization alongside political authoritarianism – China undermines the U.S. agenda to advance political reform, human rights and free trade in the region."²²³ According to this view, the Chinese model could help strengthen anti-democratic and anti-U.S. political leaders and actors in some countries, such as Cuba, Bolivia, Ecuador and Venezuela. Second, according to analysts, "China's regional presence ultimately could have significant strategic implications for the United States in the event of a possible military conflict with infrastructure in the region to disrupt and distract the United States in the hemisphere."²²⁴ According to this view, China's increased presence in the region could also allow for new opportunities to collect intelligence data against U.S. military operations in the region. Third, others argue that China is trading more with Latin America, thus decreasing the share of U.S. trade. However, as previously stated, the United States continues as the largest single source of foreign direct investment into Latin America, therefore, U.S. economic interests remain unthreatened.

²²² Ibid. p28.

²²³ Ibid. p30.

²²⁴ Ibid. p30.

Conversely, others maintain that China's presence in the region is minimal, and although it is growing, the United States will continue to be Latin America's long-term economic partner of preference. Additionally, before the House Subcommittee on the Western Hemisphere, former Deputy Assistant Secretary of Defense for Western Hemisphere Affairs Rogelio Pardo-Maurer testified that there was no "evidence that Chinese military activities in the Western Hemisphere, including arm sales, pose a direct conventional threat to the United States."²²⁵ Nevertheless, both sides concur that the United States needs to maintain vigilance and secure intelligence of China's actions in the region.

Indeed, the health of Latin America's natural resources is as important for the United States as it is for China. However, where China and the United States differ is due to inherent geography. The United States should enhance trade with LAC, in order to secure more job security in Latin America. The United States and Latin America share the Western Hemisphere and have other mutual interests besides economic trade alone. Specifically, the United States must ensure that security, immigration and trade do not threaten U.S. national interests. The majority of Latin America has achieved a consensus about democracy, free markets and protecting the security of a democratic state, and the U.S. interest is to ensure that China respects this larger consensus.

According to the Pew Research Center study titled *America's Global Image Remains More Positive than China's*, Latin America, Bolivia, Argentina and Venezuela favor China, rather than the United States.²²⁶ Although these studies may cause U.S. economists to fear that future trade with Latin America may suffer as projects and

²²⁵ Ibid. p28.

²²⁶ Pew Research Center. "America's Global Image Remains More Positive than China's: But Many See China Becoming World's Leading Power." July 18, 2013. p4.

investments are sourced through China versus the United States, this data merely shows China and LAC's relationship is positively evolving. The United States has no reason to be alarmed of LAC's trendy favorability to China.

China's profound interest in LAC's natural resources is positive for both Latin America and the United States. Assuming LAC governments stray from corruption, increased GDP will lead towards improved education systems and overall healthier countries. China is providing revenue and employment for Latin Americans, which provides families resources rather than having to depend on transnational organized crime, specifically drug trafficking. As China expounds on its economic involvement with Latin America, the potential for transnational crimes reduction strengthens.

Although exports from LAC to China are predominantly dominated by few countries, such as Chile, Peru, Brazil, Argentina, Venezuela and Costa Rica, the initial trade barriers have reduced for countries to embark on trading with China. Historically, the countries that comprise Latin America aim for the advancement of the region as a whole. Indeed, the Western Hemisphere, in its entirety, prospers when revenue increases, unemployment shrinks, poverty drops and quality of living is enhanced.

At one end of the spectrum is optimism that China constitutes a new and alternative driver of trade and investment for developing countries. The Chinese government recognizes the China–Latin America economic relationship is a win-win for both countries; however, certain U.S. observers debate this relationship as a new form of dependency. They argue the China–Latin America economic relationship will have short-term benefits for both sides, but over the long term Latin America could become dependent on China's commodity hunger. Latin America has been struggling to move

away from the natural resource provider to rapidly industrializing countries in North America and Europe during the late nineteenth and early 19th century.²²⁷ On the other end of the spectrum, the United States identifies China's rapid industrialization as a direct result from the United States and other developed nation's economies. Therefore, if the United States continues to expand trade and economic relations with China, then Latin America will continue to thrive in exporting natural resources to China.

On the human rights front, scholars warn that China's lack of human rights and environmental restrictions may bleed over into Latin America; yet, others believe that cultural divide will keep Latin America and China's relationship strictly commercial.²²⁸ Within Latin America, state and political institutions are fluctuating, non-governmental organizations (NGOs) are directing focus in LAC, and environmental organizations are lobbying for natural resource policy changes. Should LAC's natural resource policies become more structured and regulated, LAC may risk China redirecting their economic agenda with less controlled countries. However, scenarios such as these can only be speculated against, as China and Latin America's relationship has only started to evolve in recent years.

In addition to promoting China's pursuit towards advancing natural resource capabilities, the United States should creative incentives for Latin America to focus more attention on their education programs and universities. Based on public data sources and academics, Latin America does not spend adequately on their education programs. For

²²⁷ Palma, Jose Gariel. "Dependency: A Formal Theory of Underdevelopment of a Methodology for the Study of Concrete Situations of Underdevelopment?" *World Development*. Vol. 6. No. 7-8 (1978). p881-924.

²²⁸ Arnson, Cynthia and Davidow, Jeffrey. "China, Latin America, and the United States: The New Triangle." Woodrow Wilson International Center for Scholars. Institute of the Americas. Chinese Academy of Social Sciences. January 2011. p15.

comparison, Norway, Sweden, Denmark, Finland, and Israel allocate approximately seven percent of their annual gross national product into education. Former Soviet-bloc countries invest around five percent. However, Mexico spends 4.4 percent; Chile, 4.2 percent; Argentina, 4 percent; Peru 3.3 percent; Colombia, 2.5 percent; and Guatemala, 1.7 percent.²²⁹ Therefore, the United States should promote economic development based on other industries, rather than solely natural resources. In past centuries, countries rich in natural resources had an advantage, however, today some argue it is a disadvantage due to dependency. For example, the Soviet Union, with the world's richest supplies of natural resources, collapsed. Neither South Africa, with its diamonds, nor Nigeria, Venezuela, and Mexico with their oil, have managed to eradicate poverty. Most of the aforementioned countries are more poor today than they were 20 years prior. Yet, nations with limited natural resources, such as Luxemburg, Ireland, Liechtenstein, Singapore, Taiwan, and Israel are among those with the highest per capita incomes in the world.²³⁰

Overall, Latin America's leadership is closely aligned to leadership within the United States. Both maintain cultural similarities and democratic policies. Although China and Latin America's relationship is currently economic, China is pouring investment opportunities into LAC countries, which will inevitably increase infrastructure projects and attract the Chinese tourism and business industries. For example, in 1992, when Shougang Corporation established the first mining privatization in Peru, China brought in 350 Chinese staff, fired local employees, and assumed control of the community's water services, which created conflicts with labor unions and local

²²⁹ Oppenheimer, Andres. "Saving the Americas." Random House Mondadori. 2007. p346.

²³⁰ Oppenheimer, Andres. "Saving the Americas." Random House Mondadori. 2007. p336.

government.²³¹ In present times, the working relationship between China and LAC is less invasive than in the 1990s, where political and economic leaders strive for both countries involved to benefit, including labor unions and employment in LAC. Learning from mistakes, the aforementioned example of a Chinese state-owned enterprise invested in environmental clean-up projects and cultivated relationships with the LAC governments. Furthermore, processes have been established where compensation is offered to local residents who voluntarily relocate, so Chinese companies can initiate mining constructions and operations.²³²

Conclusion

Only two decades ago, China and Latin America's economic relationship was unprecedented. China now serves an alternative model of economic development and international diplomacy. Foreign direct investment from China was approximately \$12 million in 2005 and rose to \$86 million by 2012.²³³ Former Chinese Vice President Xi Jinping delivered a keynote speech regarding China's bilateral ties with Latin America saying, "cooperation between China and Latin America has reached an unprecedented level...bilateral trade reached 143.39 billion U.S. dollars in 2008, 39.7 percent up from the previous year and ten times that of 2000."²³⁴ Mr. Jinping went on to say, "China is ready to work with Latin American nations to strengthen coordination and boost

²³¹ Arnson, Cynthia and Davidow, Jeffrey. "China, Latin America, and the United States: The New Triangle." *Woodrow Wilson International Center for Scholars*. Institute of the Americas. Chinese Academy of Social Sciences. January 2011. p27.

²³² Ibid. p28.

²³³ Foreign Direct Investment in Latin America and the Caribbean. Economic Commission for Latin America and the Caribbean (ECLAC). United Nations. 2012. p53.

²³⁴ Jinping, Xi. "Chinese VP talks about bilateral ties, cooperation, common development in Venezuela." Consulate General of the People's Republic of China in New York. February 2, 2009.

confidence so as to contribute to the stable growth of the global economy.”²³⁵ In fact, the Chinese press argued that China’s strong demand for Latin American commodities played a key role in minimizing the negative effects of the global financial crisis and providing a strong engine driving a swift regional recovery.²³⁶

China appears to understand that the United States is sensitive to involvement in its neighborhood and has thus far been careful not to provoke the United States. This paper outlines China’s natural resource approach in the region and focusing on trade and investment opportunities that help contribute to both China and Latin America’s economic development. Even Chinese relations with Venezuela are focused on oil resources rather than ideological connections.

China has and will continue to be transparent about their economic intentions with Latin America. In reality, China has been efficient in proactively expanding their markets and opening trade routes with countries eager the global opportunities.

²³⁵ Ibid.

²³⁶ “Latin America Must Take Advantage of Trade with China: ECLAC.” China Daily. August 28, 2009. And Ferchen, Matt. “China–Latin America Relations: Long-term Boon or Short-term Boom?” The Chinese Journal of International Politics. 2011. p14.

THESIS CONCLUSION

This thesis has identified the peremptory need for the United States to rebalance priorities and foster stronger political, economic, and military relations with neighboring countries in the Western Hemisphere. Specifically, the U.S. administration should foster enhanced levels of security coordination and cooperation among nations in Latin America, pay heightened attention in disrupting the movement of criminals and contraband to and within Central America, and support the development of strong, capable, and accountable regional governments. It is in the United States' best interests to make a greater effort to contribute to Latin America's economic development and foster regional security that would help keep terrorists out of the Western Hemisphere. As former Secretary of State Colin Powell stated during a State Department ceremony in September 2003, "there is no region in the world more important to the people of the United States than this hemisphere," referring to Latin America.²³⁷ From a trade, immigration, drug trafficking, environmental, and oil-producing perspective, no region in the world has a greater impact than Latin America on a day-to-day life in the United States.

Latin America is in constant change. From dictatorships and civil wars in the past, to a more recent economic boom in Brazil and Panama, and Venezuela's and Mexico's billions of dollars in profits from oil and drugs, respectively, to China's trillions of dollars in investments in the region, the United States faces a complex multilayer security problem: immigration, transnational crime, and terrorism. Transnational

²³⁷ Oppenheimer, Andres. "Saving the Americas." Random House Mondadori. 2007. p151.

organized crime directly impacts U.S. national security, whether trafficking illegal drugs or smuggling unauthorized people across U.S. borders. This crime inevitably breeds violence, corruption, and havoc. Every year, millions of Latin Americans are escaping poverty. Criminalized states have emerged in Honduras, El Salvador, and Guatemala. Russia has stepped up strategic partnerships with Cuba, Venezuela, and Nicaragua. The United States must increase regional security efforts and confront a growing number of regional adversaries, such as Venezuela and Ecuador, to insure violence does not continue in this upward trajectory, which has severely impacted, Central America, a few countries in South America, and islands in the Caribbean, including the U.S. territory Puerto Rico.

Notwithstanding its economic and transnational crime challenges, democracy remains the prominent form of government practiced in the region. Latin America embodies more consolidated democracies, continues to enhance social protection policies and is building stronger integrated economies. Therefore, the United States should increase support for Latin America to keep progressing and to make this progress sustainable in a volatile global environment, full of challenges and uncertainties.

Each chapter focused on at least one of the following critical issues: increased transnational organized crime – emerging trade with China – engagements with anti-American leaders – Central and South America impacts for the United States through political, economical, and military means. Each of the aforementioned issues assessed the United States–Latin America relationship through examining regional stability.

Chapter one demonstrated that a small rogue state could impact the regional hegemony. The case study of Venezuela, under former President Chavez, showed the way in which his leadership intended to harm U.S. interests. Although not a direct national security threat to the United States, Venezuela showed its capability to impact the United States' democratic, economic, and regional stability interests.

The United States must continue to support democracies in Latin America, and seek to encourage reforms of states that develop anti-democratic ideologies and policies. Chavez's policies and posturing caused U.S. policy-makers to question his regard for democratic governance. Although former President Chavez influenced the region, and current President Maduro continues to represent socialist ideologies, the United States must remain optimistic that Latin America, as a whole, will ultimately reject the government of Venezuela's rhetoric. Although the national security threats Chavez posed to the United States were hypothetical and limited, he laid the foundation and framework for those eager and able to threaten U.S. security interests.

Chapter two examined the efficacy of U.S. military missions in the key sub-region of Central America. Studying the U.S.–Central America relationship, this chapter identified the importance of developing a regional security strategy. After analyzing DOD operations in Honduras, findings determined the efficient use of resources, especially during an era of austerity budgets for the United States, must be reevaluated. Counter transnational organized crime efforts can continue to remain aligned with counterterrorism objectives without being physically based in Honduras. The United States can still maintain vigilance in monitoring and guarding against an opportunistic or

growing nexus between foreign terrorist organizations and transnational organized criminal without a costly and physical U.S. military presence in Honduras.

Finally, the third chapter investigates China's recent obsession with Latin America's natural resources. China's aggressive achievements towards becoming a developed nation by expanding into Latin America's doorstep should prompt the United States to enhance trade with LAC. Additionally, the United States must promote more than simply Latin America's economic development of natural resources. The United States should provide incentives for Latin America to invest more on education, specifically within engineering, physics, and mathematics. The United States and Latin America share the Western Hemisphere and have other mutual interests besides economic trade alone. Moreover, the United States must ensure that security, immigration and trade do not threaten U.S. national security interests.

Each chapter discussed how Latin America's future affects U.S. security interests towards developing a stronger economy, maintaining regional security, and sustaining democratic policies. Latin American countries are largely at peace with one another and with the United States; therefore, conventional military threats from the region remain low. However, nations throughout the hemisphere are contending with asymmetric threats to national and international security. Latin America must create a culture of evaluation that compels individuals to do better, from high school and university students, to parents and teachers, to business and other professionals. Latin American governments and leadership should encourage an atmosphere of competitiveness, not only the education system, but in all departments.

Chapter one showed a positive and open relationship between Venezuela and the United States would have mutually benefited both countries; however, Venezuela's leadership chose to attack, verbally and through anti-American ideologies, the United States. Therefore, the United States should remain watchful for the potential impact of activities of violent extremist organizations and implications of the activities of nations, such as Iran, within the region. Chapter two identified that Honduras continues illegal trafficking and transnational organized crime, which directly results in an instable Central America. Chapter three explored China's sought interests in Latin America's natural resources. The findings delivered optimism by highlighting China, a developing nation, recognized Latin America's potential by taking risk and opening new economic relationships. Moreover, LAC to increase foreign relationships by developing their education culture, which would attract foreign investors, not only for natural resources, but in research and development and other industries. In the end, Latin America remains and will remain an area of critical interest.

When it comes to issues affecting the United States – whether immigration, trade, the environment or energy – no region in the world has a bigger impact on the United States than Latin America. Around 12 million undocumented workers live in the United States, with almost four out of five being Latin Americans.²³⁸ In order to create more jobs, reduce crime, increase the economy, and promote a better quality of living in Latin America, the United States must increase support. Specifically, Latin America must draw more foreign investment and invest more in education, science, and technology. Closer U.S.-Latin American ties would be in the interests of all.

²³⁸ Ibid. p9.

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JENNIFER ROCK
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Skills

| | | |
|-------------------------|----------------------|--------------------|
| Financial Management | Strategic Budgeting | Event Coordination |
| International Relations | Personnel Management | Project Management |

Professional Experience

San Juan, Puerto Rico: *University of Puerto Rico* **July 2014 – Present**

Instructor, Reserve Officer Training Corps (ROTC)

- Recruits, trains, motivates and counsels highly-qualified young men and women as prospective Air Force officers
- Serves as unit Education Officer for 150 students; advises unit instructors on course curricula and oversaw all training
- Oversees the institution of all course revisions, test preparation, and improvement of student instructional curricula
- Instructs courses on U.S. National Security, Air Force History and Doctrine, and Leadership Studies; integrates both written and verbal communication skills

Washington, D.C.: *Pentagon* **April 2013 – June 2014**

Chief, Military Workforce Management, Secretary of the Air Force Financial Management

- Advised Financial Management career field manager and Secretary of the Air Force Financial Management (SAF/FM) on officer education and training for 763 officers.
- Managed SAF/FM on military personnel for 93 members.
- Assisted the Director of Workforce Management in integration and communication of key officer workforce management issues.
- Led SAF/FM interface with senior Financial Management and Air Force Personnel Center on all processes and programs impacting SAF/FM personnel.

Honduras: *Soto Cano Air Base* **October 2012 - April 2013**

Director of Resource Management and Financial Operations, Joint Task Force - Bravo

- Executed \$350K for medical missions in Guatemala, Panama and Belize; 5,324 patients were treated.
- Secures Latin American Official Representation of Funds; fosters regional security between United States and 70 Honduran leaders in four events.
- Advocated to Congress for \$3.4M counter transnational crime funding to meet SOUTHCOM's number one requirement.
- Extended diplomacy by conducting and supporting joint operations, actions, and activities throughout Central America maintaining a forward presence in order to enhance regional security, stability, and cooperation.
- Supervised multi-service personnel and foreign nationals to include a deployable Contracting cell.

Washington, D.C.: Pentagon

November 2011 - October 2012

Budget Analyst, Financial Management and Comptroller, Air Force Reserves

- Managed and executed Air Force Reserves' Staff funds. Appropriation manager for operations and maintenance (O&M), reserve pay account (RPA), and military construction (MILCON) funds totaling \$5.3B.
- Developed budget estimates, supplemental requests and omnibus reprogramming.
- Responded to Congressional inquiries to include formal requests from Congressional staffers and formal information requests for inclusion in the Congressional Record.
- Interpreted and evaluated Congressional intent as contained in the language of Public Law and Congressional reports with input and review.

Joint Base Andrews, Maryland: Andrews Air Force Base

November 2010 - November 2011

Deputy Comptroller, 11th Comptroller Squadron

- Justified and executed an annual Air Force base operation and maintenance budget in excess of \$200M.
- Provided financial services to over 17,000 DoD members in 26 organizations throughout the National Capital Region and world. Ensured personnel correct payment and entitlements.
- Provided oversight and guidance on appropriated and non-appropriated funding in according with DoD and Headquarters Air Force directives.

Muscat, Oman: U.S. Embassy

October 2009 - October 2010

Comptroller, Executive Coordinating Agency, Air Force Central Command

- Managed \$4.3M budget supporting War Reserve Material program at eight sites in Bahrain, Qatar, United Arab Emirates, Oman and Kuwait. Sustained \$5.2B in DoD assets and led all logistics for first-ever Bahrain WRM conference. Continued international relations between the U.S. and Oman.
- Sole liaison between British Embassy Defense Attaché and U.S. government for Acquisition Cross Service Agreements. Provided cost estimates for use of U.S. military assets and equipment. Collected reimbursements post training exercises.
- Sole liaison with Royal Oman Air Force Treasury department. Approved invoices and validated costs before obligating U.S. funds for daily operations at three in-country military bases.
- Managed all pay and personnel issues for 24 person unit. Coordinated travel, authorized expenditures, and related outlays for unit operations.

Little Rock, Arkansas: Little Rock Air Force Base

January 2006 - October 2009

Budget Analyst, Deputy Flight Commander, Comptroller Squadron

- Executed \$121M over two-year's budget by interpreting headquarters' regulations. Financial advisor to senior leadership. Balanced programs and identified funding trends to determine program priorities.
- Ensured proper implementation of Air Force policy for budget execution, developed guidance and projections for future funding requirements.
- Provided full range of management services to over 6,000 military and civilian personnel and 36,000 retirees to include accounting, disbursing, collections, and payroll.

Education

Johns Hopkins University, Zanvyl Kriger School of Arts & Sciences
Graduated December 2014
Washington, D.C.
Masters of Arts in Global Security Studies

DeVry University, Keller Graduate School of Management
Graduated August 2008
Masters in Business Administration

Wright State University
Graduated August 2005
Dayton, Ohio
Bachelor of Science in Business. Major: Finance.
Activities: Air Force R.O.T.C.

Cedarville University
August 2001 - May 2003
Cedarville, Ohio
Area of Concentration: Finance.
Activities: Air Force R.O.T.C., Women's Soccer Scholarship

Awards and Honors

- **Andrews Air Force Base Company Grade Officer of the Quarter:** April-June 2011.
- **Muscat Employee Association:** Treasurer 2010, U.S. Embassy-Muscat, Oman.
- **Little Rock AFB Company Grade Officer Council (CGOC):** Treasurer 2008; President 2009.
- **Little Rock AFB Wing Staff Company Grade Officer of the Year:** 2008.

Personal

- ❖ D.C. Nations Triathlon, 2013, 2011 / ING Miami Half-Marathon, 2012 / D.C. National Half-Marathon, 2011 / Little Rock Half-Marathon, 2009 / Marine Corps Marathon, 2007