



SMART NEWS & RESEARCH FOR LATIN AMERICA'S CHANGEMAKERS

# Latin America's Perfect Storm



Evan Ellis | August 31, 2022  
Global Americans Contributor



*Photo: U.S. Secretary of State Antony Blinken, back center, addresses ministers during the IX Summit of the Americas in June 2022. Source: AP / Marcio Jose Sanchez.*

*This article is based on Evan’s presentation at the “Quo Vadis Latin America?” conference held by the Interamerican Institute for Democracy in Miami, Florida, on August 17, 2022.*

Latin America and the Caribbean is the region to which U.S. security and prosperity are most directly tied through bonds of geography, commerce, and family. Yet, it is experiencing an unprecedented “perfect storm” of reinforcing economic, criminal, and political stresses, eroding its institutions and economic prospects, radicalizing its people, and undermining its commitment to democracy and the rule of law. However, this phenomenon is not unique to Latin America, and I fear we are only beginning to see the effects of a larger, global shift.

In October 2019, protests in [Ecuador](#) and [Chile](#) highlighted the deep-rooted frustration with the performance of democratic governments across the region. Then, the pandemic not only caused more [casualties](#) in Latin America per capita than any other region but pushed a significant segment of the middle class into [poverty](#). COVID-19 also [highlighted corruption](#) and [errors](#) in pandemic-related emergency spending while diverting money away from social and infrastructure investment, leaving governments with politically contentious decisions about how to raise new money and meet debt commitments. The effects materialized into [protests](#) in Colombia over proposed tax reform as well as debates in [Argentina](#), [Ecuador](#), and [Costa Rica](#) about how to meet IMF loan commitments.

These pressures reinforced Latin America's swing to the left, which was already underway. The pandemic also justified restrictions on public activity, helping leftist authoritarian governments in Venezuela, Nicaragua, and Cuba to consolidate control.

The inflationary effects of Russia's invasion of Ukraine compounded these stresses, hitting vulnerable populations with significant increases in the costs of necessities like food and fuel. The tensions eventually escalated into protests in [Peru](#), [Ecuador](#), [Panama](#), and [Guatemala](#).

Two other factors have also contributed to short-circuiting a more balanced oscillation between left and right-oriented governments in Latin America.

## **SUPPORT US**

**Global Americans is a non-profit organization, which means we don't have advertising or a paywall. Your donation allows us to continue to deliver unique research and analysis on the Americas.**

**[Click here to help](#)**

First, expanded engagement by the People's Republic of China (PRC) and its companies have helped populist governments consolidate power beyond previously predicted destructive effects. PRC-based companies have provided authoritarian regimes such as Hugo Chavez in Venezuela, Rafael Correa in Ecuador, and Evo Morales in Bolivia with alternative sources of investment, loans, and export income as these dictators dismantled democratic checks and balances, abrogated prior legal commitments, and moved against the private sector, NGOs, and independent media.

Second, Chavismo in Venezuela, informed and aided by Cuba and other leftists, has inaugurated a model for weaponizing the disillusionment of populations with the poor performance of their democracies and exploiting the loss of people's faith in rule-of-law, freedoms and guarantees, and limited government. This phenomenon continues to evolve.

There is nothing wrong with left-oriented, democratic governments fighting to rectify corruption, abuses of power, and entrenched inequalities. But in the face of mounting economic and fiscal crises, the region is increasingly filled with inexperienced regimes promising fiscally unrealistic transformational projects based on expanding the public sector, raising taxes, and risking legislative gridlock. Meanwhile, capital flight on the back of economies was already profoundly in crisis. It is a recipe for extreme reactions and turns toward the PRC when Western governments and investors respond poorly to ill-conceived populist visions.

The growing storm takes different shapes across the region. In Mexico, Andrés Manuel López Obrador's (AMLO) self-destructive energy and other commercial policies. AMLO's rhetoric even includes indirect threats to withdraw from the North America Free Trade Agreement (NAFTA). Additionally, AMLO's "hugs not bullets" approach to violent criminal organizations fosters an increasingly grave security crisis, as illustrated by the

killing of 260 people in four days in large-scale attacks by criminal groups against the National Guard and public infrastructure in six Mexican states.

In Colombia, Gustavo Petro's re-establishment of political and defense ties with the Maduro regime has arguably impacted the morale among the nation's security forces. The gravest effects on the functionality of the Colombian state could also come from the president's impediments to Colombia's principal source of export earnings—petroleum and coal production—potential capital flight, possible relaxation of coca eradication efforts, and decreased pressure on criminal groups as Petro seeks to woo them into peace talks.

In Peru, the increasing likelihood of President Pedro Castillo's removal by Congress over credible evidence of criminal wrongdoing opens a pandora's box regarding whether his vice-president Dina Boulate will also be removed on other charges. The influence of Cuba-trained radical Vladimir Ceron over him and the new elections would open up more uncertainties.

In Chile, the likely September 4 rejection of the proposed new constitution would likely unleash a new round of social protests. Investors would put new commitments on hold, further paralyzing an already unpopular and inexperienced president and opening doors to radical solutions from both the right and left.

Almost all of the few remaining center-right democratic governments in the region are currently besieged by protests growing out of the inflationary effects of Russia's invasion and the pandemic, including, as mentioned previously, the Nito Corizo government in Panama, the Guillermo Lasso government in Ecuador, and the Giammattei government in Guatemala.

In Brazil, the likely victory of the Workers Party in October's elections will complete the region's tectonic political shift, returning to power Lula da Silva, whose orientation is likely radicalized by his time in prison due to corruption charges and knowing it will be his last opportunity to run the country.

The region's political shift is making it increasingly difficult for the U.S. to secure collaboration on core security and foreign policy issues. The protests against the U.S.' exclusion of Venezuela, Nicaragua, and Cuba from the Summit of the Americas showed just how far shared commitment to democratic values in the region has eroded. In addition, Brazil, Argentina, and others were reluctant to support allied positions on Russia, not least Venezuela and Nicaragua's military ties with Russia itself.

Ending a presentation with recommendations to fix the previously identified ills is tempting. In Latin America today, sadly, the depth of the region's economic crises and political disillusionment, compounded by corruption, criminal flows, and the economic backstop provided by China, makes calls for more aid, investment, and attention to the region too little, too late. In the short term, we must prepare to live in a hemisphere that is less democratic, more corrupt, more dangerous, and less willing to collaborate with the U.S. on issues like transnational crime and immigration.

Nonetheless, we must dedicate increased leadership, time, and resources to aid, institution building, engagement, and channeling of private sector resources. We must struggle to regain the "discursive initiative" to help a new generation to see why democracy, the rule of law, and free markets are the best ways to unleash human initiative to generate societies with the prospect of prosperity and liberties for all.

***Evan Ellis** is a Latin America research professor with the U.S. Army War College. The views contained herein are strictly his own.*

## Related Posts

---

## **Russian Influence in Latin America**

As 2015 unfolded, one-by-one Russia's principal political supporters in Latin America and the Caribbean entered...

## **Washington's New Friends in Latin America**

US President Barack Obama's visit to Cuba and Argentina this week underlines the United States...

## **Latin America and President Donald J. Trump**

President Donald Trump's relationship with Latin America will surely be one to watch this year.

Filed Under: [Democracy & Elections](#), [Security & Rule of Law](#), [U.S.-Latin America Relations](#)

Tagged With: [China-Latin America Relations](#), [Democratic Norms](#), [pink tide](#)

©2022 Global Americans

Website development by Robert Gourley.

---

**[Menu](#)**