

A GLOBAL ASSESSMENT OF THE LATIN AMERICAN SITUATION

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Preámbulo

From the perspective of a social and political analysis, the situation in Latin America is a complex subject. This is so because various interrelated dimensions act simultaneously. Politics intervenes, as do ideology, utopian concepts, culture and ethnicity, and economics and technology. It is a continent of great contradictions: abundant natural resources and great ecological threats; opulence and extreme poverty. Things become still more complicated in deciding orientations for the future. Not the least of Latin America's problems is a certain lack of ability in approaching reality and understanding it without intellectual bias or dogmatic predisposition. In a general way, a history weighed down by dogma and violence from the days of the Conquest has permeated the definition of attitudes and methods, distorting reality. In this paper, I attempt an incursion into some aspects of the present situation, offering some ideas and possible orientations.

A Question of Method: The Crisis and Diversity of Latin America

In a general way, the central idea upon which Virginia Gamba's paper is based is the presumption of the existence of a general crisis in Latin America.

A national crisis is a concept applied to a situation in which problems exist, but options for resolving them have not been undertaken, either because of a lack of political clarity, political or ideological bias, impotence, or fear of confronting the consequences of the options. This situation, in fact, exists in Latin America, due to not one, but all of the reasons enumerated above, which act in an intertwined manner, although the situation is more serious in some countries than in others.

Virginia Gamba classifies Latin American countries in two general camps: those countries which do not control their own destinies, where problems are resolved by violent confrontation and those countries where democratic governments are being consolidated, but which are surrounded by unstable neighbours and immersed in regional problems and economic crisis. In the first camp we find countries like El Salvador, Peru and Colombia, and to a lesser degree, Bolivia and Ecuador, and Nicaragua, where violence is not completely out of the scene (though in a completely different level from the recent years). The rests of the countries belong to the second category.

This division is generally correct. However, only a specific description of the reality of these countries can provide us with the information necessary for an operative analysis; it is important to find common traits and seek characteristics which permit us both regional and global, and specific approaches to problems.

Latin America is a very complex region. While it is correct to seek certain symmetries and common characteristics, as well as those bonds which permit Latin American integration, we should point out differences. At times these differences are not adequately taken into account in considering the different ways options should be put in practice. Latin America is not a single reality. Administrative

frontiers, as in other parts of the globe, do not necessarily imply different realities, and the reverse is also true. To begin with, there are important historical differences between Brazil and Spanish-speaking America which have given rise to cultural differences and different attitudes towards objectives and problems. On the other hand, the fact that the majority of the countries are Spanish-speaking does not mean that other differences are insignificant. It is important to point this out because, at times, acting upon illusions and old dreams can destroy the best practical projects.

The natural regional division (historical and geographical) in Latin America could be described as follows: Region A: Mexico; Region B: Central America; Region C: The Caribbean; Region D: Venezuela and Colombia; Region E: the Andean countries (in which Colombia also participates); Region F: the Southern part of the continent; Region G: Brazil. Beyond this, there are important differences within each region. For example, Costa Rica is very different from the rest of Central America.

In my opinion, each of these regions, though they do share problems and important lines of historical evolution, defines its own particular problems independently of other regions, making it necessary to consider and undertake different policies.

It is clear that the economic problems and the challenges of commercial interchange are shared by all the regions, but the economic structures for confronting the challenge and the best policy options vary. For Regions A and B, for example, the economic relationship with the USA tends to be, and always has been, very tight (for better or worse) than that of Region F. The political and military intervention of the USA has been very different in Region B than in other more southerly regions. The attitude of different peoples towards the USA is also different, depending on the historical specifics of each region. The crisis, then, affects all these countries in a specific manner. The security problems in Mexico refer to its conflicts with its northern neighbour rather than the border tensions or competition for use of resources which characterize the security problems in South America.

Foreign debt is a general problem, but the manner in which each individual country can confront it depends upon its own conditions. General policies can be either useful or less so depending upon specific factors in each country.

What I am trying to introduce here, then, is a methodological element to be used in the analysis of Latin American reality. It appears to me that the form in which Virginia Gamba integrates key aspects of Latin America, the change in the role of the military, the Latin American road to development, the technology and the markets, is basically correct. I myself, however, would give at the same time more emphasis to the ecology of Latin America, referring more specifically to aspects of human ecology than to conservation of the natural physical environment. As I will argue later, the principal ecological problem in Latin America (and probably on the planet as a whole) is that of demographic growth.

The Subject of the Military

The subject of the military is one of the most important aspects of the history of Latin America. The power of this social caste should probably be seen as the result of a combination of historical elements. Among them is the violence that accompanied the Conquest and colonization of the region by Spain, which generated the necessity of

resorting to force in imposing its political and economic will and the extraordinary importance of military figures in the struggle for independence. The truth is that the wars of independence of the past century spawned a constellation of countries governed by military men, ex-soldiers, or where military men, though not in direct control, held a decisive influence. Border conflict and competition for resources among the fledgling nations maintained the importance of the army, though its role changed to some degree in course of time.

The case of Brazil is not exactly the same. Other elements need to be included. Military men have always occupied a preponderant role in the life of these countries, and this has been woven into the history of Latin America. The European powers and the USA have always endeavoured to establish appropriate relations with the military in order to assure their influence and develop their political and economic influence.

After the Second World War, the Cold War and the East-West conflict, added a new and important variable; in this case, a special military relationship with the USA, inscribed in a political and ideological context. In the 1980s, a certain deterioration in the role of the military in Latin America can be seen, resulting from a certain strengthening of civil society, as well as the relatively greater importance of democracy worldwide. This is especially clear in Central America and the Southern hemisphere. This process will tend to fortify itself in the emerging international situation, dominated by the disappearance of the East-West conflict and the Cold War.

However, this process is not automatic, given the historical place which military institutions have always enjoyed in Latin America, and the fact that the institutions of civil life are not yet sufficiently strong, especially in conditions of gigantic social contradictions, which in turn lead to problems that appear to call for solutions of a military nature (guerilla war, drug traffic, etc).

It is necessary, as Virginia Gamba states, to integrate military institutions into a new social organization with appropriate functions and tasks, in a way which subordinates it to civilian governments and where the social progress of military men depends upon their commitment to the consolidation of democracy. In order to achieve this, it is necessary to define plans and specify precise objectives, with international collaboration. Again, the present international context favors these developments.

The Problem of Development

This is an intricate subject composed of many aspects. It could readily be thought of as a general problem where everything would be included. In this sense, development should be thought of, and measured, not merely in terms of the level of exports, or Gross National Product, but rather in terms of quality of life and conditions for individuals. If we define development in this way, everything can be thought of as a possible input. Thus, the role of the military, for example, can either favour or inhibit the process of development. This is another methodological issue.

In order to analyse this subject, we cannot advance by means of only a wide holistic vision. It is also necessary to focus upon separate aspects, establishing priorities both in analysis and in the elaboration of orientations and proposals. It is true, as Virginia Gamba points out, in mentioning the existence of two different dimensions of the problems, we face here on the one hand, the common problems in the Third World, and, on the other hand, the specific problems of Latin America. This is important for defining common projects for the solution of problems which affect the Third World and achieve the participation of the entire world community in this direction. It is important to recognize, however, specific aspects, in order not

to confuse - by means of incorrect extrapolation or trivial abstraction - the types of solutions which should be developed. At the same time, it is important, in Latin America, to specify those problems which are subject to solution at regional level. General solutions for all of Latin America, as I have already mentioned, can be counter-productive if diversity is not taken into account.

The Economy

It seems incredible that a region so rich in natural resources is so prostrated in its economic life. There are many theories and studies concerning this, but a consensus appears to be forming that economic policies followed by Latin America in the last sixty years have been tremendously ill conceived. In the period between the First World War and the Great Depression, the majority of Latin American countries were guided by what might be called the classical theory of international commerce. The Depression constituted a brutal interruption of this pattern. From the time of the Depression until the outbreak of the Second World War, there was a period of adjustment in which Latin America attempted to respond to this forced economic change with a policy of discriminatory substitution of exports and aggregate demand. Growth began to be directed towards industrialization for the substitution of imports.

By the end of World War II, the majority of the countries in Latin America had accumulated important foreign currency reserves. The next logical step would have been to reduce the anti-export bias of policies which had been predominant in the previous fifteen year period. Instead, Latin America intensified the strategy of import-substitution, in great part following the recommendation of Raul Prebisch and the Economic Commission for Latin America (CEPAL). This was created by the UN in 1948. When the costs of this method, especially in the smaller countries of the region, became obvious, the majority of the countries, instead of abandoning this strategy, simply skipped to a second phase: regional integration (ideally complemented by external aid). The Alliance for Progress, of political origin, helped to direct developments in the same direction.

During the 1960s and 1970s, some South American countries attempted measures of economic liberalization, which failed either due to poor stabilization programmes, or the existence of external shocks (in Chile and Uruguay in the 1970s). The industrialization for the substitution of importations, together with protectionist policies which accompanied it, was never undertaken as part of a policy tending to stimulate exports (as was the case in Japan or Korea), but rather always exhibited anti-export characteristics.

With the passage of time, and at the present, Latin America finds itself in a situation characterized by: weakness in the export sector, obsolete and uncompetitive industrial and productive infrastructure, extraordinary indebtedness (due in great part to the loans used for acquiring obsolete infrastructure or alleviating the economic shocks of the '70s), together with an enormous mass of people crying for satisfaction of their basic necessities. At the same time, this economic policy was accompanied by an extraordinary growth in state institutions and the role of the state in the economic and social life of the countries of the region. The inevitable consequence: huge state apparatus with countless public employees, whose costs would have been difficult to cover even at the best of times, and impossible considering the terrible state of the productive apparatus in the majority of the countries.

In these conditions, Latin America needs very energetic economic measures. It needs to find a place in the international market, for which it needs to modernize its productive resources and orient them towards exports. At the same time, it cannot continue to support a state bureaucracy which consumes so many resources and which generates fiscal imbalance. Both of these policies preclude the use of scarce resources for the satisfaction of social needs. If we also add the matter of paying off the foreign debts, the possibilities of pursuing correct economic policies - without provoking serious social unrest, consequent violence, and deteriorating human conditions - are reduced even further. What all this indicates is that, globally, the recuperation of Latin America requires the concentration of a multinational effort, with substantial economic and technical support. Not all regions of Latin America are in identical conditions for assuming the different radical measures that the times seem to require.

I agree with Virginia Gamba, when she says that the adoption of austerity measures imposed until now have not been the product of national political willingness to make these decisions, but rather the impotence of Latin American governments confronting international institutions, such as the IMF and World Bank. However, it is important to distinguish between the imposition of organisms which correspond to a different historical reality and need to be modified, and the authentic needs of the subcontinent for its recovery and development. Here it will be necessary to abandon many ideological poses and rhetoric - classic in the Latin American tradition - and seek practical solutions.

Liberalization and social reform

At the same time, this social and economic effort is not possible without the most widespread participation in each country, and this energetic and productive participation cannot be achieved without diminishing the great social contradictions which exist in many of these countries. That is, important changes are needed in the structure of land ownership and social conditions for private initiative. A democratization of the economic benefits of production is required. This means that any serious project for economic liberalization, productive and fiscal transformation, needs to provoke the opening of new opportunities. This implies, in a general way, support for private initiatives and medium and small enterprises.

Economic and political support for small and medium-scale sectors of the economy can be achieved by the international community by means of governments, foundations, multinational organisms and so on. Private enterprise should never be seen as an obstacle to national development or to human progress. I only mention this because of the existence, in Latin America, of diverse ideologies which have condemned and even tried to eliminate it. Private enterprise, which generates individual economic benefit, constitutes an extraordinary tool and resource for human progress. It not only is not an obstacle, but should be seen as an important human achievement which can be used appropriately for human progress. This constitutes considerable food for thought; private enterprise could well be the best method for fortifying civil society, and the progress of economic and social democratization. The different economic groups organized in Latin America should explore the possibilities of engaging in economically beneficial private enterprise, regulated by the laws of supply and demand. International

assistance can be used to insure against unfair competition on the part of the economically and politically powerful.

In this sense, the attitude of the Frente Sandinista in Nicaragua appears to me to be tremendously positive in that it has, as a party or group of individuals, organized lucrative private initiatives (even though based upon their earlier manipulation of power in a non-democratic regime). It is an example that should be emulated by other organized groups in civil society, especially among the dispossessed. In Costa Rica there have been similar experiences.

It is interesting to point out that changes in the social structure which we have been discussing, and the democratic reforms which are needed, required a relatively strong state. This is a paradox similar to those mentioned by Virginia Gamba in her paper. However, this could be resolved by means of civil participation (at times very energetic, but without resorting to violent action which would rupture the political structure) with international support. International support has become much more viable with the winding down of the East-West conflict. The Latin American left never recognized the existence of this conflict in social problems and always attempted to camouflage this aspect with the all too real social contradictions and the North-South conflict. On the other hand, the political right always hid behind the East-West conflict in order to deny the existence of the North-South conflict and social contradictions. At present, it is easier to confront problems with greater objectivity.

I should point out, though, that there still exists in Latin America a political chess match which is important to take into account in the present situation. Latin America continues to be impregnated, by ideologies which tend to separate themselves from the social and political pragmatism so important in this period. Marxism continues to enjoy considerable influence, not so much as a political current linked to the communist world, but as a structure of ideas and positions with which to confront social and historic reality.

Populism, at the same time, continues to be an important mechanism for creating images and political figures in the world of elections. The discussion of programmes and options in a constructive and serious manner is minimal. Political figures who appeal to populism stand a better chance of reaching positions of power than those who clearly present the hard realities which must be confronted with urgency.

On the other hand, some groups proclaim the need for the liberalization of the economy, the reduction of the state apparatus and the elimination of fiscal deficits without giving adequate consideration to social questions: the needed social and democratic reforms. They appear to intend to maintain the same rigid social structure which has always characterized Latin America. This has tended to promote a confrontation between archaic and dangerous populism, and classic and conservative liberalism. The case of Peru, where we have witnessed not only the victory of Fujimori, but also, to a great degree, the rejection of the traditional parties and politics in general, is most eloquent.

Science and technology

This is strongly related to the previous discussion. An efficient productive base is not possible without being linked to the participation of science and technology, and in this there are problems of a diverse nature. On the one hand, technology cannot be acquired without economic resources, or where political and

legal structures impede the access of technology. Military secrets in the Cold War era created an even more difficult situation. Technology itself is useless if there are inadequate human resources for operating and managing it. All of these problems are interrelated.

Once again, multinational cooperation is decisive. The countries of Latin America can define policies of technological modernization of their productive infrastructure, but they require economic and political support for acquiring first-rate technology, know-how and the capacity for maintaining key personnel. This process is impossible without appropriate conditions for scientists and technicians in Latin America. As long as the brain drain continues, the problem will become more acute. Poor working conditions and low salary levels for professionals in science and technology and university professors in Latin America continue to fail to stimulate creative intellectual production. It is obvious that patriotism alone is not enough to maintain the best scientific and technological minds in the countries of Latin America. Economic and material resources are required.

During the 1960s and 1970s the public universities in almost all of Latin America gave ground to populism and contributed to mass access to higher education, with a resultant drop in academic quality which at present plays a very negative part in the academic and scientific-technological base. Much needs to be modified in higher education in Latin America in order to change direction in this sense. The subject of education and especially university-level education is important for any consistent long-range strategy. This is another key place for multinational collaboration.

External debt and the Bush Plan

The subject of external debt is one of the key problems. This indebtedness, facilitated during the 1970s by the flow of large quantities of, available capital, did not contribute to the modernization of the productive structure of Latin America or to the reduction in social inequalities. The international economic crisis of the late 1970s and early 1980s also consumed a high percentage of the resources obtained. By these means, the 1980s found Latin America prostrated, with no means to repay its debt.

It is obvious that any solution must necessarily take into account this fact, which is as important as the need to conserve the legal structure and confidence in financial structures. The Bush Plan is an important first step, but stops far short of really coming to grips with the problem. However, it is interesting that the Republican Administration in Washington has made such a proposal. It should be understood not as a consequence of the need for US security, but rather as a manifestation of the need to develop trade possibilities in the region which would diminish in the near future if present tendencies of economic deterioration were to continue.

It should be remembered that the diminishing of the East-West conflict will give rise to a world with several highly competitive economic poles, where political, rather than military initiatives will be of key importance. The economic recovery of Latin America should be seen, in this perspective, as an important long-term investment, if the USA can re-establish its prestige (greatly diminished by mistaken policies over decades) and presence in the area. While the Bush initiative is doubtless motivated by these considerations, the unification of

the European market in 1992 is of great importance. Bush needs to create a hemispheric commercial block as a counterweight to Europe. This is not easy in the short run, but nevertheless he will not be alone; Japanese investments in Latin America have begun to multiply.

The central pillars of the Bush Plan are free trade, investments, and indebtedness. He postulates a hemisphere free of any form of protectionism. In his message of 27 June 1990 he states, *'The great economic lesson of the century is that protectionism paralyzes progress while the free market generates prosperity'*. I agree that protectionism, in itself, is anti-economic, impeding the competition essential for the progress of productivity. However, it should be remembered that not all enter competition under the same conditions. Some fish are bigger than others and can easily feast on the small if the latter are not provided with adequate conditions. These should be negotiated.

The second pillar is the strengthening of foreign investment. This is really important. Latin America needs a strong flow of capital, but political and economic instability, as well as bureaucratic inefficiency (product of excessive state bureaucracies), have constituted a formidable obstacle for foreign investment. This phenomenon, of course, is related to the economic policy errors of the past, with their emphasis on import-substitution and statism. In this sense, the new orientation is positive. It should be kept in mind that while foreign investment should be actively sought, it should be guaranteed that the state does not lose sovereignty and reaps a real benefit. In the past, a certain type of foreign investment generated enclaves whose influence was so great that they were decisive influences in the overthrow of governments (for example, the banana exporting firms).

The third pillar is the reduction of the official debt, which is presently around 12 billion dollars. Although this amount is not great compared to the foreign commercial debt, it represents a positive approach.

Perhaps most important in the Plan is the implicit change in the relationship between the USA and Latin America. Bush stated: *"All signs point to the fact that we should change the focus of our economic exchange, moving in the direction of a new economic partnership, because prosperity in our hemisphere depends upon trade, not economic assistance"*. This is important because it is true that trade is the basic foundation for constructing Western society. Latin America is ready to accept Bush's challenge. It should be remembered that a hemisphere of free trade implies that the USA should dismantle obstacles that it itself has thrown up, and which have impeded Latin American entry into US markets or put it under very tight restrictions. The immediate answer of Latin American governments has been positive towards the Bush Plan. However, the recent discussions of the great economic powers in Houston gave little attention to the matter.

Ecology: A long run perspective

As I intimated earlier, while it is certainly true that there has been a serious deterioration in the natural resources and conditions of the natural environment in Latin America, the truth is that the demographic aspect is the real key. If population increases at its present rate, it does not matter that physical space exists for many more people; it will simply not be possible to sustain the population with any productive organization, no matter how efficient and modern. This is doubly true if we take into account that the degree of deterioration of the ecological

environment will necessitate a period of several decades to stabilize. This demographic expansion brings with it the need to provide basic materials and services for survival (food, clothing, housing) for an ever growing population, and an over-use of renewable and non-renewable natural resources, which threatens the future survival of mankind. New and intensive agricultural techniques will need to be developed, which will inevitably affect the ecological balance. Environmental contamination will continue to intensify. Urban growth, impossible to plan adequately under these conditions, will give rise to problems other than those of deterioration of the physical environment (delinquency, violence, overcrowding, and soon).

The impossibility of satisfying the social needs of an ever increasing population worsens the existing social contradictions and creates new ones, contributing to the polarization of society and increasing the probability of social explosions. In the middle of the present economic crisis and social deterioration which characterize Latin America, the desperate use of nonrenewable resources and savage exploitation of the natural environment are practically inevitable. When Brazil is criticized for deforesting the Amazon region, it should be taken into account that beyond the curtain of trees lies a complex economic, social and political reality which must be confronted multilaterally. Concerning these types of issues, two things are required: intellectual clarity (the original positions of Marx on these issues are useless and dangerous), and a very solid multinational intervention which includes educational, cultural, technical, economic and social aspects. This is a central problem which must be confronted in a decisive way.

Three Issues of Policy and Security

Central America

The signing of the treaty of Esquipulas II in August 1987 by the Central American Presidents opened a new epoch for the region: a collective dialogue in the area which proposed non-military and non-violent solutions to conflicts within the region. This was an important first step. Especially surprising was the readiness of Daniel Ortega to sign a document which opened up the possibility of voting the Sandinistas out of power. Perhaps Ortega never thought that this could occur, and that the signing of accords gained time for the Sandinistas, but the end result was that two years later the Sandinistas lost free elections and relinquished control of the government to Violeta Chamorro.

Along the way, the Contras were disarmed and life in Nicaragua has entered into a new phase. It is a new phase as well for the USA, which, from the moment of the Sandinista revolution which toppled Somoza, initiated with Reagan an aggressive plan to remove the Sandinistas from power, but when the Sandinistas left power it was not the result of the work of the American policy.

The reason the Sandinistas left power is an interesting historical and political issue. It was not the result of the military action of the Contras, although this certainly contributed to economic and social hardships. The events can be explained only as an historical result where many combined factors were at work.

The Arias peace plan created a political structure which turned out to be useful, but this in itself was insufficient to achieve the final results. Of at least equal importance was the exhaustion of the Nicaraguan people from a long period of tensions and extreme economic difficulty. But even this was insufficient, given the

extraordinary control exercised by the Sandinista state. The political opposition certainly was a negligible factor at best, with its divisions and manifest incapacity. What factor, then, tipped the balance sufficiently for the Sandinistas to agree to give up power? In my opinion, the key factor which combined decisively with those mentioned above was that of the new world political situation, characterized by the decline in the communist world. The Sandinistas were committed to organizing honest elections, pressured by the whole world, but confident that they could not lose. When they did lose, and badly, to Chamorro, it was impossible, in the new world context, and having committed themselves beforehand to respect the results, to refuse to relinquish government. All the international commitments signed by the Sandinista government, in which they swore to respect the results of free elections, undoubtedly a meritorious result of a process which began in Esquipulas, were important, but this would still have been insufficient if the Sandinistas had not perceived that in the changed world context, the communist bloc would be unable to back them up militarily, economically or politically.

The present situation in Nicaragua can be characterized as that of the existence of a weak government, a divided governing coalition, full of political opportunities, which, however, has the backing of the USA (although in the key area of economic aid, not much support has been forthcoming). The Sandinistas, on the other hand, in the opposition, are the most powerful political force in the country.

The FMLN controls the masses, as it demonstrated in the recent general strike. It possesses a group of political cadres with a political homogeneity achieved in a decade of war and control of the government, a better international image precisely because of their decision to relinquish the reins of power, a positive attitude for raising national output with their own private economic initiatives, important international alliances, and even the leader of the Army, Humberto Ortega.

The truth is that if the Sandinistas adopt a somewhat liberal Social Democratic programme and organize themselves wisely in the coming years, they will become the political force which will maintain hegemony in Nicaragua. If they stay away from their former dogmas and assume a pragmatic, moderate programme, it can contribute to the future development of Nicaragua. If, on the other hand, they seek to regain and exercise power at all costs, interesting themselves only in political manipulation and populist demagoguery, they might again rise to power, but only to create obstacles in the path of Nicaraguan progress. Meanwhile, there is a great element of instability in the Nicaraguan situation.

What happened in Nicaragua with the fall of the Sandinistas affects the Central American region as a whole, in my opinion positively. In El Salvador, there have not been sufficient advances towards the resolution of key problems. In July 1990, an agreement was reached between the Christiani government and the FMLN on human rights, but no agreement was reached on the decisive issue of the structure of the Salvadorean army. The bottom line continues to be what it has always been. The force of the guerrillas is based upon its arms (its political position has somewhat improved due to improvements in the arms they have available). Although the guerrillas have gained more support in the urban areas, this continued to be insufficient. They cannot simply turn in their arms, thus relinquishing their only instrument for pressuring the government, without first achieving a position which guarantees their physical existence and political vitality. These are things which the Christiani government, even with the best of intentions, is not in a position to guarantee in a society so highly polarized, an army so decomposed, and paramilitary squadrons of ultra right-wingers (who are those who direct the party which Christiani represents).

The FMLN, however, historically, has few options. The Sandinistas can no longer help them. Furthermore, two regional governments it could turn to for support in the past are now pro-gringo (Nicaragua and Panama). Military support from the communist block is excluded. Cuba has too many difficulties of its own to be able to help much. While it is true that the image of the FMLN internationally improved after the horrendous slaying of the Jesuit priests, and they have opened up channels to American congressmen, none of these factors is sufficient to help them decisively and assure their final triumph.

The truth is the opposite. As a military force with the possibility of victory, its days are numbered. Although they can last for years struggling and even achieving spectacular victories in individual battles, everything seems to be against them. They have to weigh the risks of disarming quickly against their inevitable political impotence in the long run if they do not do it. The best they can achieve is to use a maximum of international pressure for accords which permit the physical security of their members and begin the slow process of gaining political initiative. Either path has its inherent risks. The point is, however, that the war and the instability do not allow the country to progress a single inch, and the people suffer much more. The situation could well remain stagnant for a long time.

In my opinion the current world situation favours a process of negotiation in El Salvador, but only if the guerrillas can forget the dogmas of the past and learn how to negotiate and play practical, and if it becomes possible to achieve a sufficient reform of the army so that it is capable of at least tying the right's hands.

The US military intervention in Panama liberated the Panamanians from a military dictatorship which had dated from 1968 (initiated by Torrijos), but only at the cost of breaking international law and weakening relations between the USA and Latin America. Furthermore, the Endara government starts out with a tremendous handicap, precisely because it was imposed by foreign arms, even though it had recently won the national elections.

Even so, Panama is a country which has always had a special relationship with the United States. A large percentage of its population supported the invasion and supports Endara, and it is unlikely that the Endara government will fall. The fall of Noriega weakens the left in Central America, since many groups used Panama for logistic support.

In the rest of Central America, military tensions and acts of violence have not been so dominant in this period. This makes it possible for negotiations, for example with the URGN in Guatemala, to bear fruit.

With or without a solution in El Salvador, the Central American countries are trying to emphasize the problems of economic development and seek multilateral aid agreements and fortify commerce between themselves. All of this seeks to diminish the source of internal conflicts and confrontation. Much of the success of this depends upon the USA, since it seems evident that European economic support to the region - which has never been significant - will naturally be more directed towards the economic recuperation of Eastern Europe.

Cuba

Very recently, the situation in Cuba has become more tense, as a result of the exiles in the Czechoslovakian and Spanish Embassies. What is obvious is simply that Cuba is being pressured, on one hand by the world political situation, and on the other, by the obstinate attitude of Fidel Castro. Cuba has depended economically on

the communist world both in terms of commerce and substantial amounts of direct material aid. The collapse of the communist world, and especially its economic crisis, is virtually certain to worsen the economic and social situation in Cuba. Furthermore, it is clear that a certain model of society which presented itself as that towards which all were destined, has irreparably declined. The impact of this fact on the political stability of the island is potentially huge.

With few resources, totally isolated, Cuba cannot maintain its communist redoubt. The only question is whether Fidel Castro will make changes or not. Castro was not forced upon the Cuban people by the Red Army, but rather won his own local revolution. He remains a dictator with great charisma and a wide social base. Deposing him will not be as easy as getting rid of Ceaucescu. If Castro is not prepared for democratic reforms, several possibilities exist: the physical elimination of Castro, a civil war, or the regime managing to maintain some type of existence for several more years in ever more precarious material conditions. In the long run, changes are inevitable in Cuba. Cuba is not China, and does not have China as a neighbour, like Korea does. It is difficult to predict, however, what exactly will occur and when. The US pressure on Castro, either by Radio Marti or indirectly by means of the Soviet Union, or even, if it were true, in the fabrication of the conflict in the embassies, only serve to precipitate events. What is clear is that the regional influence of Castro, which reached its high tide in the beginning of the 1980s, has abruptly declined.

Relationship with the USA

Virginia Gamba correctly states that between the USA and Latin America there are many issues characterized by a conflict of interests and few by common interests (drugs, immigration). It is also true that our perceptions of threats are different. I believe that the relationship of the USA with Latin America cannot be viewed in the same perspective for all the different regions. To begin with, Central America depends greatly upon commerce with the USA; Central America is too close geographically to the USA to avoid domination, or to not co-ordinate common actions and plans which, merely for simple geographical reasons, are inevitable.

The situation for the Andean region or the Southern hemisphere is different and there is less need for an intimate relationship with the USA. Mexico shares a long border with the USA, and this implies more than just migration issues. Each region, each group of countries, should study its relationship to the USA in the manner which its history and regional position dictate. I am strongly in agreement with Virginia Gamba on those aspects that take into account a redefinition of the relationship between the USA and the countries of Latin America. It is clear that the Falklands War cooled off relations in general. The invasion of Panama was another negative event.

In the new world which is emerging, it is not possible to maintain the same criteria, values and objectives that existed in the past. We are at an historical moment in which we need to examine carefully and re-think this relationship, and clear political will is needed for this.

The Bush Plan is a manifestation that, within the context of the new world political and economic realities, the USA seeks a new relationship with Latin America. This is the moment for fresh initiatives. I believe that, while it is true that emphasis should be placed on multilateral cooperation, one should define this in a regional or continental, or even bilateral manner, if it cannot be done in any other way.

It is also true that this relationship should be developed on the basis of the fortification of democracy in the region and assistance for development, and not to merely maintain *zones of influence* based upon unilateral political or military calculations. Because of the role of the USA in building up the military establishment in Latin America, a key point is that of making this military establishment play an appropriate role in the consolidation of democracy and civil society.

Latin America should steer itself towards the strengthening of its cultural, political, and commercial relations with other important parts of the world. A great amount of astuteness is needed for this. It should not limit its initiatives and possibilities of development. But it should re-negotiate its relationship with the USA, seeking a maximum of positive cooperation and collaboration. This will require a constructive attitude from the USA, a more respectful and lucid foreign policy with regard to Latin America. It will require from Latin America a rethinking of concepts with which it has analysed this relationship in the past, at times heavily biased by prejudices and ideological postures.

It is true that history cannot be swept away with a stroke, but we must seek new mechanisms and attitudes so that history does not constitute an obstacle for advancing towards the future.