

FOREIGN POLICY & DEFENSE

Facing Latin Facts

THE SOURCE: "Latin America's Left Turn" by Jorge G. Castañeda, in *Foreign Affairs*, May–June 2006.

THE PERUVIAN PRESIDENTIAL election that pitted Alan García against Ollanta Humala this past June highlighted two facts of life about Latin American politics. The region is thoroughly dominated by the political Left, and the Left itself is neatly divided into two competing groups. The winner in Peru, García, represents the "modern" Left, while Humala represents the resurgent "populist" tradition. The United States, argues Jorge G. Castañeda, former foreign minister of Mexico, has no choice but to support one of Latin America's two Lefts.

The spread of democracy beginning in the 1980s and the persistence of widespread poverty and inequality virtually foreordained the Left's rise. The market-oriented reforms and other policy changes that began in the middle of that decade failed to produce sufficient economic growth. "The impoverished masses," Castañeda says, "vote for the types of policies that, they hope, will make them less poor." The collapse of the Soviet Union helped by freeing leftist parties from charges of foreign control.

Both Latin Lefts emphasize social improve-

ment, fair distribution of wealth, national sovereignty, and (to varying degrees) democracy. The modern Left, however, took its original inspiration from the Bolshevik Revolution and has had a historical experience much like that of Europe's socialist parties. It has acknowledged its own past errors and those of its former role models, the Soviet Union and Cuba. It has a genuine commitment to democracy, emphasizes social policy within "an orthodox market framework," and values good relations with the United States and other Western countries. In recent years, that has been a formula for success in Left-governed countries such as Chile, where new president Michelle Bachelet continues a mod-

ern Left reign dating to 1990.

The populist Left, on the other hand, is a "peculiarly Latin American" phenomenon, whose ancestry includes such storied figures as Juan Perón, who came to power in Argentina in the 1940s. The contemporary populist resurgence began in 1998 with the election of Venezuelan president Hugo Chávez, who has since been joined by Néstor Kirchner in Argentina, Tabaré Vázquez in Uruguay, and, recently, Evo Morales in Bolivia. Populist leaders are waiting in the wings elsewhere, notably Mexico, where Andrés Manuel López Obrador has a good chance of winning this year's presidential election.

Although widely seen as champions of the working class, the populists have "no real domestic agenda." Stridently nationalistic, they are intent on picking fights with Washington in order to whip up popular support and on playing to the crowds by nationalizing industries such as oil and gas (which gives them control over vast revenues). Such economic policies as they have amount mostly to crony capitalism, and their respect for democracy, human rights, and the rule of law is tenuous at best.

Washington's best option is actively to support the "right Left," Castañeda argues. That means signing a free-trade deal with Chile, negotiating in earnest on trade with Brazil, and otherwise helping responsible leftists deliver the goods to

EXCERPT

Populism on the March

Whereas a Bolivian populist directs his fire at international energy companies, a British populist is more likely to target immigrants. The reason is that developing countries need foreign capital to grow, and that is what globalization gives them. By contrast, developed economies need foreign labor—ideally as productive as homegrown labor, but less expensive. Sometimes, of course, the reality is a bit more complicated. But, for voters concerned about their economic prospects—and for the politicians wooing them—globalization and its apparent foreign beneficiaries provide a convenient scapegoat for a host of economic anxieties. The result is that, around the world, populism is on the march.

—NIALL FERGUSON, a Harvard historian, and
SAMUEL A. JOHNSON, Ph.D candidate in Harvard's
government department, in *The New Republic* (June 19, 2006)

voters. The leaders of the “wrong Left,” meanwhile, need to be reminded of their countries’ commitments to democracy and human rights and of the imperative of continuing to build an “international legal order.” But Washington must “avoid the mistakes of the past,” even if that means allowing Chávez, for example, to acquire nuclear technology from Argentina, as long as international safeguards are in place. If it acts wisely, the United States could help the region “finally find its bearings.”

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The Northwest Passage at Last

THE SOURCE: “In the Dark and Out in the Cold” by Magda Hanna, in *Proceedings*, June 2006.

CAPTAIN HENRY HUDSON TRIGGERED a mutiny among his sailors nearly 400 years ago in the frigid bay bearing his name when he tried to get them to spend a second summer looking for a northern passage to the Orient. Now, scientists are saying that within decades this fabled Arctic sea route between the Atlantic and Pacific oceans may be open for routine use by commercial ships carrying oil and other products. Magda Hanna, a U.S. Navy lieutenant, warns that her service is unprepared and poorly equipped to navigate in such an environment.

Global warming appears to be melting the icecaps at the top of the globe with startling speed. Arctic ice has retreated northward by three percent a decade and thinned by 40 percent in the past 20 years, according to U.S. submarine surveys. The

Sailing through a thawed Northwest Passage could be as much as 40 percent faster than going by existing routes.

phenomenon appears likely to make two routes—the Northwest Passage and the Northern Sea Route, claimed as internal waters by, respectively, Canada and Russia—irresistible paths for shippers. Such shortcuts would be about 40 percent faster than existing routes, and save even more time for the huge tankers too big to fit through the Panama Canal.

The oil and gas reserves discovered under the Arctic have already made the area a leading economic development center for Russia, and multinational companies are continuing to explore in the Beaufort Sea off the coast of Alaska. As the world’s hunger for oil grows, the economic and transportation benefits of Arctic sea routes will surely increase. The Russians estimate that the volume of oil moving through the region will increase from one million to 100 million tons a year by 2015.

Meanwhile, the Navy has cut Arctic research funds and allowed its vessels to fall into such disrepair that it was forced to lease a Russian icebreaker to resupply a polar mission last year.

Writing in *Proceedings*, a publication of the nongovernmental U.S. Naval Institute, Hanna notes that regular northern sea runs are hardly likely to begin soon. While the passage can be navigated during one or more

months in the summer, unpredictable floating ice can make the transit perilous. According to the Arctic Climate Impact Assessment, years in the making, summer commercial shipping might be possible “within several decades.” Prohibitive insurance costs now rule out most uses of the routes.

Even so, the high probability of continued melting means that the region can no longer be ignored as a potential theater of military operations. The combination of disputed territorial claims, vast natural resources, and the ever-present requirements of homeland security could well create a need for an Arctic naval presence. Without planning, training, and ships, Hanna says, “the Navy’s lack of preparation could leave the United States in the dark and out in the cold.”

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The Crude Toll

THE SOURCE: “The First Law of Petropolitics” by Thomas L. Friedman, in *Foreign Policy*, May–June 2006.

THE HIGH PRICE OF OIL IS certainly not pleasant for the average driver, whose fill-up has doubled in price in less than four years. And it is clearly a burden for the American economy. But you might think that it would be a boon to oil-exporting nations as once-cheap oil bobs around the \$70-a-barrel mark.

However, you would be thinking completely backward under the First Law of Petropolitics, posited by author and *New York Times* columnist Thomas L. Friedman. His First Law holds that the price of oil and the pace of freedom always move