MEMORANDUM FOR SCUSA 73

SUBJECT: Latin America: Supporting Democracy and American Influence in the Hemisphere

1. **Issue:** The purpose of this memorandum is to propose policy options for the United States to support democracy and American influence in Latin America.

2. **Strategic Analysis:** US Lack of Prioritization of Latin America
   
   a. Supporting Democracy: Lack of Economic Engagement
      
      i. Due to a lack of investment in MSME (micro, small, and medium) firms, the majority of the population are compelled to work in the informal sector, undermining the government's ability to regulate business, promote job creation, and reduce poverty.
      
      ii. Chinese investment contributes to democratic backsliding because of unsustainable debt, opaque contracting, and low quality projects in the region, which would exacerbate the poverty and dissatisfaction with democratically elected governments.
      
      iii. Strict conditions on foreign aid have resulted in a reluctance to accept such aid and may limit impact when PRC loans and investment have no strings attached.
   
   b. Supporting American Influence: Limited Diplomatic Engagement
      
      i. The lack of U.S. Ambassadors have caused a sense of insecurity and instability. Without this representation in Congress, the United States is unable to forge strong diplomatic ties, and unable to craft effective foreign policies within the region.
      
      ii. The lack of U.S. prioritization in the region is leaving Latin America vulnerable to China’s diplomatic efforts and neo-mercantilist policies. Trade agreements between China and Latin American countries are leading to unsustainable debt, and have not contributed to development.

3. **Relevant National Interests:**
   
   a. Fulfill our duty to support neighboring democracies which improves peace, security, and economic development in the region.
   
   b. Protect national security through addressing issues such as migration, Narcotics Trade, and foreign civil unrest which destabilize American domestic politics.
   
   c. Bolster economic development to decrease overreliance on trade from China through deeper trade connections with Latin America.
d. Maintain our preeminent status on the world stage which will limit alliances with revisionist powers.

4. **Strategic Options and Recommendations:**
   a. Improving Diplomatic Engagement with Latin America
      i. Improve pathways to ambassadorship and the abilities of ambassadors.
      ii. Increase delegations to foster targeted engagements with specific Latin American nations.
      iii. Improve socialized contact between U.S. and Latin American countries.
   b. Improving Economic Investment in Latin America
      i. Leverage private sector to secure direct foreign investment in the region. Enforce appropriate environmental standards to ensure negligible damage to the populace in the region.
      ii. Prioritize implementation of free-trade agreements.
      iii. Improve government coordination in providing economic aid.

5. **Implementation:**

6. The point of contact for this memorandum is CDT Octavia Starkey at octavia.starkey@westpoint.edu or 202-577-6640.

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