

NEWSLETTER

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BOGOTA - COLOMBIA, 01-25-2021: The candidate of the political party Pacto histórico, Gustavo Petro. © Daniel Andres Garzon / shutterstock.com



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**G**ustavo Petro doesn't just want to transform his own country; he wants to change the world. The new leader of Colombia, who took office last August, is targeting what he calls his nation's "**economy of death**." That means pivoting away from oil, natural gas, coal, and narcotics toward more sustainable economic activities. Given that oil and coal make up **half his country's exports** — and Colombia is the world's **leading cocaine producer** — that's not going to be easy.

Still, if Colombia were to undertake such a pivot, it would prove to other countries similarly addicted to such powerful substances — including the United States — that radical change is possible. With the latest news that the international community will **almost certainly fall short** of its carbon reduction target for 2030, Colombia's pathbreaking detox effort has become more urgent and significant than ever.

Not surprisingly, Petro and Francia Marquez, his environmentalist vice president, have encountered significant resistance to their plans, even from within their own ranks. Although they immediately declared a moratorium on new oil and gas drilling as part of a bid to phase out the country's fossil-fuel industry, their own **finance** and **energy** ministries, fearing the moratorium's effect on the economy, refused to rule out such future contracts. The government also proposed a major new tax on oil exports, only to quickly **scale it back** in the face of widespread industry resistance, including from the state-owned oil company **Ecopetrol**.

An even bigger challenge comes from the monstrous debt problem the Petro administration

faces. Fully one-third of government revenues **flow toward servicing** Columbia's huge foreign debt. Similarly shackled to onerous interest payments, much of the Global South has been forced to extract ever more resources simply to pay the never-ending bills from international banks.

Still, whatever problems he faces, Petro represents something new. After all, the Latin American left has long favored more mining and drilling to boost exports, trade, and government revenues. Mexican President Andres Manuel Lopez Obrador (AMLO) has typically pursued the renationalization of the oil industry to (yes!) boost production. That's also been the strategy of Luiz Inácio Lula da Silva (Lula) in Brazil, while the Peronist government in Argentina has focused on an attempt to significantly **increase** offshore oil drilling. Progressivism in Latin America, as in many other parts of the world, has long been inextricably linked to raw material extraction designed to distribute more wealth to the poor, while closing the gap with the richer North.

Sadly, however, despite similar growth strategies pursued by left, right, and center governments, the countries of the region have collectively failed to achieve either of those goals. Latin America remains the **most economically unequal region** on the planet. Instead of beginning to catch up to the North, it has fallen ever further behind. In 1980, per capita gross domestic product (GDP) on that continent was 42% of the G7's, the world's most industrialized countries. By 2022 — notwithstanding all the wealth scratched from the ground and the sea, the promises of the advocates of free trade, and the efforts of progressive politicians who won power — the region's GDP per capita had **fallen dramatically** to 29% of the G7 countries.

Now, Colombia is trying something different. The electoral victory of Petro and Francia has been hailed — or derided — as part of a new “pink wave” in Latin America that's brought Gabriel Boric to power in Chile, Xiomara Castro to the top spot in Honduras, and Lula back to the presidency of Brazil.

But given what Petro and Francia are attempting, simply identifying them with that pink wave would be misleading. They are, after all, offering a fundamentally different paradigm of economic development, one that's more green than pink.

Perhaps you're familiar with the **first rule of holes**: if you find yourself in one, stop digging. For decades, Latin American countries have tried to dig themselves out of poverty — drilling for oil, mining for lithium — only to find themselves in an ever-deeper pit.

Colombia is the first country to declare that it wants to stop digging. Will the world, and particularly the United States, now lend a hand in pulling it out of its economic hole?

## **The Pink Wave That Isn't**

The left might seem to be on the march in Latin America, but a closer look at recent election results reveals a somewhat different picture.

In Brazil, right-wing incumbent Jair Bolsonaro should have been defeated in a landslide in last year's presidential election. After all, the “Trump of the tropics” had presided over a Covid-19 catastrophe that left Brazil **in second place globally** (after the United States) in the number of deaths from that pandemic. He had initially run on an **anti-corruption platform**, but his administration was so rife with **economic misrule** that it may, in the end, leave **Bolsonaro behind bars**. And far from reassuring Brazilians that he was committed to democracy, he repeatedly praised the country's long-gone military dictatorship, even **reinstating commemorations** of the day the armed forces took over in 1964.

Not only did Bolsonaro almost beat Lula — the margin of victory was less than 2% — his

Not only did Bolsonaro almost beat Lula — his margin of victory was less than 2% — his Liberal Party expanded its already impressive power base in the country's bicameral Congress. And Brazil wasn't the only country in the region where the far right came close to victory. Right-wing parties nearly won last year's elections in Chile and Colombia, too.

Nor is the rest of the region anything like a pink paradise. In El Salvador, right-wing populist Nayib Bukele has pulled a Putin by expanding his control over all three branches of government. Uruguay, once a leftist enclave, **shifted** to the right in the 2020 elections, as did Ecuador in 2021. And left populist Pedro Castillo, elected president of Peru in that year, now sits in prison after his ouster following an attempted coup. Meanwhile, according to the latest polls, the most likely politician to replace the current right-wing government in Guatemala, **Zury Rios**, the daughter of legendary dictator Rios Montt, is even further to the right.

In addition, three supposedly leftist governments — Cuba, Nicaragua, and Venezuela — are actually despotic regimes that have imprisoned dissenters, left and right. Other leftist governments are gesturing in that direction as well, with Bolivia's Luis Arce recently **arresting his chief rival** and Mexico's AMLO **defunding** an electoral oversight body.

Meanwhile, in Argentina, President Alberto Fernandez, who heads a center-left Peronist coalition with former president Cristina Kirchner, has seen his popularity drop precipitously. His party, in fact, **lost big time** in midterm elections in 2021, and 67% of Argentines now have **unfavorable views** of him in the run-up to the next election in October.

The Argentine case is a reminder that what might look like either a “pink wave” or a “counter-pink wave” is just rage against incumbents. Latin Americans have “thrown the bums out” in **15 of the last 15 elections**. As elsewhere in the world, a significant portion of the electorate holds incumbents across the board responsible for the failure of economic reforms to deliver prosperity. Right-wing populists have also used the politics of hate — against **immigrants**, the **LGBT community**, **women**, the **indigenous**, and **people of African descent** — to speed their ascent, with a big assist from social networks and right-wing media. As in the United States, this White, male, homophobic backlash has begun to merge with the economic resentment felt by all those globalization has **left behind**.

That's what makes the Colombian example so precious: it's the exception, not the rule. The only other leader who comes close is Gabriel Boric in Chile. Having appointed a climatologist to be his environmental minister, Boric is committed to reducing carbon emissions and finding **new, sustainable livelihoods** for those in the country's “sacrifice zones.” But he's no less committed to positioning Chile as a leading exporter of lithium, a key component in rechargeable ion batteries, whose extraction nonetheless poses serious **environmental and social risks**. In Latin America, after all, commodities like lithium are king. Between 2000 and 2014, its countries **enjoyed** a commodity boom that lifted exports and spurred growth (though not enough to bridge the economic gap with the richer North).

China, which absorbed only 1% of Latin America's exports back in 2000, but **now takes almost 15%** of them, has been encouraging the region to ramp up extraction. Currently, South America's **leading trade partner** — and number two for Latin America overall — China wants raw materials like oil, copper, and soybeans to feed both its industries and its people. It has also boosted imports of materials critical for renewable energy products like **lithium** for batteries and **balsa** for wind-turbine blades.

The “open veins of Latin America” that Uruguayan writer Eduardo Galeano **eloquently chronicled** so long ago are increasingly being bled by China.

## Green Good Neighbor?

Latin America is not simply a supplier of raw materials for the energy transitions of China and

Latin America is not simply a supplier of raw materials for the energy transitions of China and the global North. It's in the midst of a transition of its own. In fact, it's currently building **four times more solar capacity** than the European Union and so creating a basic new energy infrastructure that should boost by 70% the amount of electricity solar power will provide to the region. Add in wind power and renewable capacity is set to **increase by a startling 460%** by 2030.

Most of this capacity is, however, concentrated in a handful of countries led by Brazil, Colombia, and Chile. To date, those three, along with Mexico and Peru, are responsible for 97% of added solar capacity. The sustainable energy transition, in other words, threatens to divide the region into a rising clean bloc and a still all-too-dirty one.

This is where the United States could come in.

In the 1930s, President Franklin Delano Roosevelt's administration unveiled a new approach to Latin America: the Good Neighbor Policy. Reversing a century of US meddling, that new policy stressed nonintervention and noninterference in the region, while encouraging more trade and tourism. There was, however, nothing altruistic about it. Roosevelt wanted to open Latin America to US exports, gain access to critical resources, and later secure its support in World War II.

Today, a different challenge requires the United States to link arms far more strongly with its neighbors to the south. European countries are pulling together to fight climate change with a **European Green Deal**. Washington needs to attempt to do the same with Latin America.

After all, China is challenging the US for economic predominance in its own backyard, while expanding trade there at an astounding pace. It sent **billions of dollars** in aid and loans to the region at the height of the Covid pandemic and **directly invested** as much capital as it had in the European Union.

To enlist Latin Americans in a common struggle — or even just to remain minimally relevant — Washington needs to offer something different. So far, the Biden administration's moves have been frustratingly modest. True, it has requested \$2.4 billion in aid for the region in 2023, the **most in a decade**. Still, compare that to the \$3.3 billion in annual military assistance the US sends to Israel alone or the **\$75 billion in assistance** dispatched to Ukraine last year.

It's time for the Biden administration to introduce a Green Good Neighbor Policy aimed at making Colombia the rule, not the exception. Latin America as a whole needs to transition from fossil fuels and the United States could speed that process by supporting a regional Green infrastructure fund. Call it the Green Road Initiative (in contrast to China's Belt and Road Initiative).

So far, the administration has made some promises. Secretary of State Antony Blinken **pledged** last year that the United States would help the region achieve "growth with equity." According to a recent report, a sustainable energy transition in Latin America could **create over 10%** more jobs by 2030, turning Blinken's words into reality. The administration **has also promised** that future trade agreements won't have provisions — found in most current ones — that allow corporations to sue governments over regulations that affect their bottom lines. An important region-wide bank, meanwhile, is **starting to support** more Green infrastructure projects.

But all of these are, at best, half-steps. If the Biden administration truly wanted to make a difference, it would create a Green Bank to help fund that Latin American energy transition, while restructuring — or better yet, canceling — the debts that have so crippled efforts like Colombia's to finance a serious economic transformation. This regional plan could even include illiberal outliers like Cuba, El Salvador, Nicaragua, and Venezuela. As with China, green

cooperation doesn't require agreement on a checklist of issues any more than arms control deals with the Soviet Union required a consensus on human rights during the Cold War.

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This is not altruism. As in Roosevelt's era, a more prosperous and environmentally sustainable Latin America would be less likely to send waves of immigrants to the United States, while creating more markets for US goods. Oh, and it would also ensure a further reduction of carbon emissions globally so that maybe, just maybe, Florida won't disappear into the ocean.

Colombia is a small, scrappy country that faces long odds like the little engine that thinks it can, thinks it can, thinks it can...

But to ensure that it indeed can, that such a monumental transition will ever take place, help is needed and soon. That's especially true given the second law of holes: even when you stop digging, you're still at the bottom.

A strong push from a green good neighbor could help Columbia — and the rest of us — begin to climb out and scale new heights.

*[TomDispatch first published this piece.]*

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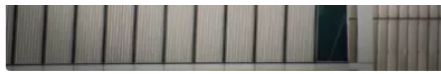
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