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For as long as I can remember, Latin America has been described as the “continent of the future.” That’s a polite way of saying “check back in a few decades.”

Well, Latin America is no longer the “continent of the future” – it is the “continent of the present,” of the *here and now*. What I mean is that we are not waiting for some distant day to arrive when all is transformed. Latin America *is* transformed and transforming. To be a place of the present means Latin America has a real and visible *future*.

Before I get to the present, however, and before I turn to some of the innovative solutions our Latin American neighbors have implemented to address their education needs and lay the infrastructure for their future, I want to explain a bit about how Latin America came to be where it is.

Many of us still remember the Latin America of yesterday – an era marked by a disastrous “import substitution” theory of Argentine economist Raul Prebisch. Prebisch argued that trade hurt

developing countries. He urged Latin nations to seal their borders, subsidize domestic industries, and favor local goods over exports.

It's no surprise that the substitution of local goods went on longer and longer, and the subsidies grew larger and larger. Ultimately, Señor Prebisch acknowledged the flaws in his model, but not before astronomical debt and runaway inflation provoked economic crises and political instability.

Suddenly, we had a terrible mess to clean up – stagnant economies and inefficient and uncompetitive industries. 25 years ago there were only three democratically elected governments. Annual inflation had reached the double – and in some places *triple* – digits.

But good ideas eventually swept out the bad ones, and we saw free elections and free markets take hold throughout Latin America.

Just think about how much has changed. 25 years ago, one would have been hard pressed to find more than a few Latin American countries engaged in democratic politics, pursuing responsible fiscal policies, Free Trade Agreements, *and* human rights activism.

Today the vast *majority* of Latin American countries are democracies. And only one of them has not freely elected its leader.

Political advances have replaced old, authoritarian regimes with democracy, and it appears many countries in Latin America are finally back on track. Sensible economic policies, new education proposals, a growing middle class, and political moderates have generated rapid growth and prosperity in the region.

And the opportunities are spreading as Latin America advances.

I believe it was President Kennedy who said it best: “Our progress as a nation can be no swifter than our progress in education. The human mind is our fundamental resource.” And, this is the most important lesson for Latin America today.

While the region as a whole appears to be on an upward trajectory politically and economically, it’s Achilles Heel is its education. While there is an academic tradition in parts of the region – like my native country of Costa Rica where 96 percent of the population is literate – parts of Latin America continue to trail behind other developing regions like Asia and Eastern Europe.

I will delve into more of the specifics shortly, but many countries in Latin America are not as prepared for the new knowledge-based economy as they could be. The notion that raw materials – rather than brains – earn you money remains the prevailing perspective in too much of the Hemisphere. But the fact is, the global economy has replaced goods with services, and today a country’s richest resource is its people. While many countries in Latin America are meeting the challenges of this new economy, others recognize there is room for reform from primary school through the university level.

The cultivation of the human mind is the great task of the present and the foundation for the future of Latin America. The people of the region must make education their number one priority if they want to remain competitive in the global marketplace, and I think there is an opportunity for the United States to offer a helping hand. Because ultimately – if left untouched – an out-of-date educational system has the potential to undercut too many of the other recent political and economic advancements.

But before we move forward, I need to back up and consider the general state of affairs in the region. We need to look at the basics

of Latin American society before we can talk any further about their education needs.

GLOBALIZATION AND THE ECONOMIC LANDSCAPE

One can not understand Latin America today without considering the cultural, economic, and political effects of globalization. As I heard it described by one Washington-insider recently, we are living in a world without walls,¹ and we must consider how this is impacting Latin America.

I am reminded of a speech Larry Summers gave on the subject, where he described the changes the world is experiencing today as dramatic as those experienced during the Renaissance and the Industrial Revolution. The combination of technological advancements and the growth of developing nations – which has thrown billions of people together into one economy – have challenged many traditional economic theories.

Some experts have described this new globalization as a “paradigm full of promise” that comes with both new opportunities and new risks and challenges for every country.² So perhaps most pivotal to a global economy is free and open trade. In many ways, the future of Latin America rests on the successful integration of Latin economies with those of the U.S. and the world.

For instance, economic growth in Asia has led to greater demand for Latin American commodities, such as Costa Rican computer chips, Brazilian steel, Chilean copper, and Argentine beef. Even more importantly, places like China and India have become prominent foreign investors in Latin America. In fact, India’s leading steel producer Jindal Steel and Power, has signed a more

¹ <http://article.nationalreview.com/?q=YzI1ZTEyYjcyZDE5M2NiYWYzOTk1Mzc4NDVmODhkZjI=>

² <http://www.imf.org/external/np/vc/2000/070400.htm>

than \$2 billion deal with Bolivia to develop one of the world's largest iron ore deposits and steel making facilities.³

This new demand for Latin American resources, coupled with higher global liquidity and investors' search for higher returns, has resulted in an economic revitalization for the region. The fact is, Latin America has a lot to celebrate.

According to the Economic Commission for Latin America and the Caribbean (ECLAC), between 2003 and 2007 the region experienced its best economic performance in a quarter of a century.

- Together with the Caribbean, Latin American economies grew by an average of 5.6 percent in 2007 – and, this marked the *fifth consecutive* year of economic growth.⁴
- Average inflation in the region can be measured with a single digit.
- Fiscal deficits have now dropped almost 50 percent in relation to GDP from where they stood two decades ago.
- Tariffs on trade have come down from 40 to 10 percent and the reduction of non-tariff barriers is even greater.
- In 2007, unemployment fell by 8 percent.

³ <http://in.ibtimes.com/articles/20070725/jindal-steel-to-invest-2-billion-in-bolivia-iron-ore-deposit.htm>

⁴ (ECLAC press release Dec. 13, 2007)

<http://www.eclac.cl/cgi-bin/getProd.asp?xml=/prensa/noticias/comunicados/9/32019/P32019.xml&xsl=/prensa/tpl-i/p6f.xsl&base=/tpl-i/top-bottom.xsl>

Perhaps what's even more encouraging is the new economic pattern we see emerging. The region seems to be moving away from its tradition of "boom and bust" economic swings to a healthy, steady upward trajectory of financial growth.

Overall, Latin American economies have become more resilient to turns in the economy. Prudent fiscal management, increased foreign trade, and greater surpluses have better prepared these countries to weather occasional economic storms that previously would have set them off course. And these sensible fiscal policies appear to be spreading throughout the region.

The result of this economic growth is the rise of a strong and ever-growing middle class. *The Economist* recently reported on Latin America's expanding middle class, claiming that between 2002 and 2006 some 15 million households ceased to be poor. Should this trend continue through 2010, a small majority in the region will have joined the middle class.⁵

This is a tremendous improvement and is likely to initiate profound changes in the region as a whole. This middle class is the engine fueling a new mass-consumer market. And – perhaps even more important – a large middle class has a vested interest in political and economic stability and will hopefully help temper political radicalism. Certainly, the elections of Lula da Silva in Brazil, Felipe Calderón in Mexico, and the Concertación in Chile suggest that this is the case and provide us with good reasons to remain hopeful.

So it appears as though things are looking up for Latin America.

Or, are they?

⁵http://www.economist.com/research/articlesBySubject/displaystory.cfm?subjectid=894662&story_id=9645142

Some observers remain troubled that Latin America's economy is growing almost exclusively due to *external* factors – specifically a booming world economy and high commodity prices.⁶

As I mentioned earlier, the region's economy has grown about 5 and 1/2 percent for the past five consecutive years. But Latin America's economic expansion does not look as strong when compared to other developing regions.

According to figures released by the U.N. in 2007, China grew by 11.4 percent – and has been growing by about 10 percent annually for three decades. India's economy grew by 8.5 percent – a rate it's maintained for a decade. The former Soviet Bloc countries grew by more than 8 percent, and even war-torn Africa grew by 5.8 percent.⁷

According to the U.N., poverty has declined from nearly 40 percent of the region's population in 2005 to 35 percent in 2007 (ECLAC). While this is nearly a 10 percent drop, it's nothing compared to Asia, where poverty has dropped from 50 percent of the population in 1970 to 19 percent today.

And while there has been a decline in poverty, the Inter American Development Bank tells us that it is now more concentrated in certain groups – especially the rural and indigenous populations. In fact, a quarter of Latin America's poorest people are indigenous, and that proportion of the population rises to 60 percent in the Andean and Meso-American countries. It should not come as a surprise, then, that political turmoil has affected several Latin nations with large indigenous populations.

⁶ "Latin America Is Lagging. Someone Tell Its Leaders," Andres Oppenheimer Sunday, January 13, 2008; Washington Post, <http://www.amchamchile.cl/node/3973>

⁷ Hispanic American Center for Economic Research, "Latin American economy improving but lagging," Andres Oppenheimer.

While the growing middle class has reduced the income inequality gap – since the late 1990s, there has been a drop in inequality in 11 out of 14 Latin American countries for which data is available – yet it remains an acute problem.⁸

Many countries in Latin America have initiated reforms, which have made them more desirable to domestic and foreign investors. Every year, the World Bank publishes a report on the ease of conducting business in 178 different countries. You'll find that Chile, Puerto Rico, and Mexico are included in the top five for ease of doing business. And others were not so far off. Peru ranked 58th in the world and 7th in the region for ease of doing business. Puerto Rico ranked 28th in the world for ease of doing business.

Still, some parts of the region remain a bit cooler to business innovation. As you might expect, Venezuela bottoms-out the list of 31 Latin American countries.⁹ And, unfortunately, many other parts of the region rank relatively low in areas like taxes and registering property.

But the long term success of these economies is dependent, in large part, on entrepreneurship – and people's willingness to take a chance. Punitive restrictions on everything from licensing to registering property infringes on free enterprise. Burdensome regulations will guarantee that only the privileged few will succeed in the economy at the expense of the broader population.

So the question remains: Is this recent economic boom as good as it gets for Latin America?

The consensus among international institutions, reporters, researchers, and regional leaders is that the region *can do* better. No doubt, Latin America has come a long way and many parts of

⁸ <http://www.imf.org/external/np/speeches/2007/051007b.htm>

⁹ <http://www.doingbusiness.org/economyrankings/?regionid=3>

the Hemisphere are headed for a very strong future. But, this success varies and there remain some trouble spots where work still needs to be done.

The fact is, all this is just a foundation – it's not a house.

To turn around the whole region, to build a long term economic future, to reverse poverty rates, to be able to compete in the global marketplace . . . to prepare *itself* for the future, Latin America must take more steps toward strengthening its human infrastructure.

EDUCATION

Latin America has launched several initiatives geared toward breaking the vicious cycle so many people in the region face of sending their children to work instead of school – condemning them to a future of poverty and hardship.

In particular, several countries have established conditional cash transfer (CCT) programs in which aid is provided on the condition that families use it for their children's education and health care. Brazil's former president Fernando Henrique Cardoso established the first of these programs – *Bolsa Escola*, which in 2005 Lula expanded to become *Bolsa Familia*.¹⁰

According to the World Bank, which provides assistance for the program, *Bolsa Familia* reaches 11 million families and more than 46 million people – a significant portion of the country's impoverished population. And it is credited as being the most effective social program the country oversees.

¹⁰ <http://www.brazzil.com/content/view/9537/41>

This CCT model has now been adopted in Mexico, where former President Vicente Fox established *Oportunidades* to distribute modest payments to the mother of the household for investment in a child's education, health and nutrition. The World Bank reports that CCT's have popped up in 20 countries around the world, including many others in Latin America, such as Chile, Argentina and El Salvador.

About a month ago, I had the opportunity to speak with Mexico's Secretary of Education, who was one of the central figures involved in launching *Oportunidades*. The effects of the program have been striking. She told me that 5 million families are taking advantage of the program, and that Mexico is now providing assistance to other countries in Latin America that want to establish similar programs.

In fact, *Oportunidades* has even caught the attention of more developed nations. Recently, Mayor Bloomberg launched *Opportunity NYC*, a CCT program modeled largely after Mexico's plan.¹¹

Despite these efforts to improve education, however, many parts of Latin America continue to face serious challenges in their education systems.

Some parts of Latin America are struggling with outdated education programs, which put them at a disadvantage in comparison with regions in Asia and Eastern Europe where curricula are more finely developed.

While in China, for instance, public-school children begin English-language classes in the third grade for four hours a week, in Mexico public-school students first begin learning English in the

¹¹ http://www.aei.org/publications/pubID.25225/pub_detail.asp

seventh grade for only two hours a week. Of course, this problem does not affect Latin America across the board. Some parts of the region have done a superb job integrating English into the elementary curriculum – take Costa Rica where basic communicative English is started in Kindergarten. However, those areas of the Hemisphere that are not investing in English education at an early age will have a harder time competing with other developing parts of the world.

Some experts have expressed concern about a similar lack-of-attention taking place in the math and science arena at the lower levels. According to the latest Program for International Student Assessment – a standardized test that measures the proficiency of 15-year-olds in reading, math, and science – the scores coming out of Latin America were some of the lowest in the world.

You might be particularly interested to know about Latin America's university systems. In 2007, the *Times of London* released a ranking of the world's 200 best universities, in which academic success is measured – both qualitatively and quantitatively – by more than 5,000 experts. Unfortunately, only 3 Latin American universities are recognized at the bottom of the list: The University of Sao Paulo, Brazil (178th), the University of Campinas, Brazil (179th), and Mexico's National Autonomous University at 195th.

Similarly, the Shanghai ranking of the world's 500 best universities reveals similar findings, with no Latin American universities in the top-100.

Another concerning trend at the university level – and one that I suspect many of you are familiar with – is the declining number of Latin Americans in U.S. universities. While students from India, China, South Korea and other Asian countries are flooding into U.S. schools, the same is not true for Latin America. In fact,

according to the Institute of International Education (IIE), India alone has more graduate students on U.S. campuses than all 32 Latin American and Caribbean countries combined.

The numbers speak for themselves: India has 84,000 students in U.S. colleges. China and South Korea are right behind them 68,000 and 62,000 respectively. In comparison, Mexico only has 14,000 students in colleges here in the United States, Brazil only 7,000 and Venezuela a meager 4,500.¹²

The IIE's 2007 Open Doors report reveals a disappointing disparity in graduate student profiles here in the U.S. According to the report, Asian students are far outnumbering Latin American students in U.S. graduate programs. So ultimately, there are fewer Latin American students returning to the region with PhDs.

And while Asia seems to be turning-out engineers and scientists at the speed of light – something that concerns many Americans, in fact – Latin American universities tend to be more focused on the social sciences, such as psychology, sociology and political science. While diversity of expertise should be welcomed, these disciplines alone are not sufficient for competing in the global economy.

This last point is especially concerning if you consider that experts anticipate that over the next 20-25 years information technology will be the biggest growth industry in the world.

A quick glance at the technology industry says it all. According to *Fortune* magazine, it is predicted that there will be 2.25 billion PCs in the world by 2015 – up from 755 million today. And most of

¹² http://www.opendoors.iienetwork.org/file_depot/0-10000000/0-10000/3390/folder/58653/Fast+Facts+2007+Final.pdf; <http://www.washingtonpost.com/wp-dyn/content/article/2008/01/11/AR2008011101999.html>

that growth is expected to come from developing nations. China is expected to leap from about 55 million PCs today to 500 million by 2015. South Korea is witnessing similar growth. It has the highest broadband adoption rate in the world, at more than 70 percent.

The mobile phone industry is also driving economic expansion. A professor at the London Business School has found that in the average developing nation, every 10 percent increase in the number of mobile phones in use boosted that country's GDP by six-tenths of one percent.

Yet, many parts of Latin America trail in information technology preparedness. According to a new report that was just released about Latin America's IT readiness, it was revealed that by 2010 there will be a serious shortage of 126,000 technology engineers. This is concerning not only because it will hinder the region's competitiveness, but also because information technology unlocks innovations that bring new efficiencies and opportunities to people – from health care to banking.

One small country that lacks many of the political and economic advancements of countries in Latin America, but which has really focused its resources on information technology preparedness, is Ethiopia. For instance, its government has dedicated hundreds of millions of dollars to laying down broadband networks because it wants Ethiopians across the country to have telephone and Internet access.

The country's prime minister explained it this way: "We are too poor not to invest in information and communications technologies." And the fact is, this investment is paying off. I just read an article about how IT advancements are changing the face

of medicine in Ethiopia. The ability to send x-rays by email – something we take for granted here in the U.S. – is saving lives.¹³

Some countries in Latin America have really caught on. According to the World Economic Forum's "2006-2007 Readiness Index," Chile received the highest score for Latin America in IT readiness. It ranked 31st out of 122 countries surveyed, with Brazil (53rd), Costa Rica (56th), Uruguay (61st), El Salvador (63rd), Argentina (64th), Colombia (65th), and Panama (66th) falling somewhere in the middle of the pack.

In particular, Chile scored well on the government's use of IT, availability of online services, and the intensity of local competition. And the WEF's report recognized that Chile's investment in IT – both public and private – was a key component in its "economic growth and social development." It is this commitment to IT that the WEF claims has enabled Chile to become "the success story it is today."

Despite these small advancements, however, there is still a lot of work to be done in order for the region as a whole to catch up with the rest of the developing world.

So, the question is: What is at the heart of Latin America's education problems? Why are parts of the region lagging in comparison to its Asian competitors, for example?

In the past, political uncertainty has generated economic instability, a loss of human resources, and poverty. Today, however, Latin America is experiencing just the opposite. In fact, the tremendous economic boom I've been speaking about – and the rise of a solid middle class – will hopefully generate long term

¹³ <http://www.globalenvision.org/library/7/1661/>

stability in the region and create an environment ripe for cultivating human capital.

What's more likely the culprit of this education problem is that parts of Latin America have not fully digested the nature of the new knowledge-based economy as well as other developing regions. These countries have not grasped the new conception of wealth as a product of education, creativity, and hard work rather than of natural resources. It appears that Asia, on the other hand, has a deeper understanding that education is the long term solution to reducing poverty and increasing competitiveness.

The key to Latin America's future – and its ability to catch up with its competition – is going to rest, in large part, on its ability to change the accepted wisdom throughout the Hemisphere about wealth and education.

OBSTRUCTIONS TO PROGRESS

CHAVISMO

There is one other major obstruction standing in the way of Latin America's success.

Let me take a moment to talk about the rise of Hugo Chavez in Venezuela.

This phenomenon – “Chavismo” – is perhaps the most serious threat to the region's future. The Venezuelan president represents the *old* way of thinking about wealth – as something simply dug up out of the ground – a notion that disregards education as the building blocks of a nation.

Chavez came to power by exploiting the desperation of the Venezuelan people, and likewise, he has expanded his influence in the region by taking advantage of feelings of frustration and hopelessness in neighboring countries. Countries in Latin America

with sound democratic traditions, functioning institutions, strong economic growth and moderate social policies have been able to weather the tide of pessimism brought on by the economic slowdown of the 1980s and 90s. And in some parts of the region, such as Peru and El Salvador, frustration even helped bring about legitimate political change.

Still other countries like Bolivia, Ecuador, and Nicaragua – the most fragile of the region’s democracies – have provided fertile ground for Chavez in his quest to expand his regional influence, interfere with the political process in countries like Mexico and Argentina, and undermine successful market economies in places like Costa Rica by subsidizing trade unions to help defeat CAFTA.

Indeed, I would argue that we can view Chavez as the head of a regional radical populist franchise based on authoritarian rule. And he has become a serious factor of instability in Latin America.

Among the most alarming feature of the “Chavista” regime, however, is the Venezuela-Iran relationship that has grown in strength in recent months, and Chavez’s willingness to open the door to his franchise for Ahmadinejad. Just last Saturday Chavez joined Ahmadinejad in becoming a Holocaust denier. And, in recent weeks the Venezuelan president has stepped up harassment of his own Jewish community.

Tehran and Caracas are both interested – for their own reasons – in weakening the U.S, and Chavez is well-positioned to be Iran’s enabler in the region. Since there is no compelling economic motivation for Iran to be in Latin America, we must conclude that Iran’s interest in the region derives from its desire to expand its influence in territory close to the United States. They say the number one rule of real estate is location, location, location. And, for Iran, Latin America is prime real estate for challenging the United States.

It's no secret that the Iranian regime is looking for diplomatic allies around the globe. And through Chavez's good graces, Iran has gained access to a small network of radical Latin American regimes.

Embassies and diplomatic activity are supposed to facilitate understanding and cooperation between countries. That's why it is concerning that Venezuela has opened its doors not only to Iran, but also to Hezbollah and Hamas. Even without adding Iran to the mix, Latin America already has reason to be concerned about the activities of radical Islamists in the difficult-to-police Tri-Border Area of Argentina, Brazil, and Paraguay.

Just like Ahmadinejad in the Middle East, Chavez has invested tremendous resources in weapons and building his influence in the region. And the bottom line is that he has become a threat to the long term success of Latin America.

It is becoming increasingly clear, however, that the people of Latin America are seeking political freedom and economic strength, and they have taken it upon themselves to reject radicalism and to embrace democracy, freedom, and free markets.

Serious cracks are appearing in Chavez's internal coalition, which threaten to undermine his power in the region. In the lead up to December's referendum, we saw key Chavez supporters – from the army, the student population, as well as from the poor and underprivileged sectors of society – turn against the president.

By inserting himself into neighboring elections, initiating border fights, and recently announcing his plan to establish a joint military force among his Latin American allies are all part of Chavez's larger effort to undermine the political and economic advancements in the Hemisphere.

We must keep a spotlight on this dangerous regime and push for an honest advancement of democracy in Venezuela. If left alone, Chavez will become a serious threat to the security of the region and to the promise of Latin America's future.

US POLICY PRESCRIPTIONS

So, to wrap up, I want to take a moment to address the United States' relationship with Latin America and acknowledge ways in which we can help the region achieve its long term political and economic goals.

Relations between the U.S. and many parts of the Latin America have had a troubled history, in which unpredictable U.S. foreign policy over the years has yielded disappointment and, at times, exasperation. Decades ago, these feelings motivated a distinguished statesman to brand the U.S. an "uncertain ally."

I mention this tonight, however, because in recent years the U.S. has played a vital role in helping Latin America get back on its feet. And, by taking a slightly more engaged position, I think the United States can help sustain the positive momentum in the region.

Financial support is not always the answer. There are a number of ways the U.S. can provide support and strengthen its relationship with Latin America. Let me offer a few suggestions:

Promote Positive Trends: We ought to highlight the bright spots in Latin America. There are many good things the region has been doing, which deserve acknowledgement and attention. A few examples come to mind:

- Countering poverty: As I discussed above, the Conditional Cash Transfer programs in Brazil, Mexico and elsewhere in the region have provided millions of families with a

necessary lifeline, while stimulating human capital through investment in education and health care.

- Trade Agreements, which improve access to U.S. markets are commendable. We need to bear in mind, however, that many in Latin America view statements about free trade made by developed economies as threatening to their subsidies, quotas and tariffs that prevent poorer countries in the region from exporting agricultural goods. This is an area that deserves greater attention from both the U.S. and our European partners.
- Helping Hand for growth. Even with greater trade opportunities, the poorest countries in the region often still need a helping hand. The recently announced bio-fuels programs (in conjunction with Brazil) and the financial support to small businesses are steps in the right direction. Likewise, the Millennium Challenge Account (MCA) and the Millennium Challenge Corporation (MCC), created with bipartisan support, are a forceful and commendable idea. There have been concerns about the speed of the process, but some glitches are to be expected when launching such an important initiative.

Better Use of Existing Institutions: Strengthening national institutions and fostering positive initiatives requires the involvement of the Inter-American and international institutions that operate in the region. Whether in the realm of public health (Pan American Health Organization), agriculture (Inter-American Institute of Cooperation for Agriculture), political and democratic issues (Organization of American States), or financing for economic stability and development (International Monetary Fund, World Bank and the Inter-American Development Bank), multiple resources can play an important role in the fulfillment of the most pressing needs of Latin America.

For example, these institutions could assist countries that have qualified for the MCA to prepare adequate proposals for sound technical projects that carry the potential for considerable social benefits. Of course, some of these international entities carry the heavy baggage of bureaucratic vices. But their involvement can – and should be – on an ad-hoc basis and under strict rules of accountability.

It is imperative to expand Student and Youth Exchanges with Latin America: This final recommendation is one that I think you understand well. And, it is a long-term endeavor. But a good starting point is to increase substantially the scholarships for Latin American students to study in the U.S. at different levels – namely high school and university – and to increase the number of special visits for young leaders and new faces in Latin American politics. Ideally, of course, this would take place in conjunction with an increase in young American visitors to Latin America.

CONCLUSION

As I've tried to emphasize throughout my remarks, we are witnessing a struggle in Latin America between two competing perspectives. The old outlook understands wealth and prosperity as something static – so that if one country or class has more, then some other country or class must have less. And, this viewpoint has spawned populism in countries like Venezuela.

By way of contrast, the new way of thinking views wealth as something dynamic. From this perspective, everyone can have more when education, creativity, and hard work are rewarded. And we are seeing the results of this new outlook in Chile and Costa Rica, and El Salvador for example.

But this more recent point of view requires governments to discipline themselves, to establish limits on their actions, and to

provide the necessary infrastructure and economic environment for investment to flourish. And it requires the neighboring democratic superpower to reach out and offer assistance.

Despite the challenges that lie ahead in the region, we have witnessed a significant transformation of the political and economic landscape as a whole. Latin America has clearly turned a corner, and I think with continued support, the Hemisphere is on track for a future of peace, stability, and prosperity.

Thank you.