

# Obama Re-imposes Neoliberalism in Latin America

President Obama's chief "accomplishment" in Latin America was not restoring diplomatic ties to Cuba; it was his administration's "regime change" strategy re-imposing "neoliberal" economic orthodoxy on the region, as Ted Snider explains.

By Ted Snider

Shortly after taking office, President Barack Obama promised to change the way America does business with Latin America, a recognition of the appalling history of interference and regime change dating back to the Nineteenth Century, from Thomas Jefferson's hostility toward Haiti's slave rebellion to William McKinley's betrayal of Cuba after "liberating" it from Spain.

Then, there was the case of Theodore Roosevelt severing Panama from Colombia in 1903 for the purpose of building the Panama Canal. And another case in 1908 when the U.S. government cooperated in the ouster of Venezuelan President Juan Vicente Gómez. And, in 1909, when William Taft removed Nicaragua's José Santos Zelaya because he insisted that U.S. companies in Nicaragua honor their agreements and tried to make his country less dependent on the U.S. by borrowing from European, not American, banks.

In the modern era, Dwight Eisenhower had the CIA overthrow Guatemala's Jacobo Arbenz in 1954 and –before leaving office – Eisenhower started the covert action aimed at removing Fidel Castro as Cuba's leader, a process continued under John Kennedy with the Bay of Pigs invasion and beyond. Then, there was the 1964 coup in Brazil to overthrow Joao Goulart, and the political action to encourage the removal of Guyana's Chedi Jagan undertaken the same year.

In 1971, Richard Nixon destabilized Chile, encouraging a bloody coup against Salvador Allende. Ronald Reagan sponsored a covert war to oust Nicaragua's Sandinista government while also throwing U.S. military support behind various brutal and repressive regimes in Central America. In 1989, George H.W. Bush destroyed civilian neighborhoods in

Panama City in an invasion to arrest Panamanian leader Manuel Noriega.

And impoverished Haiti periodically showed up on Washington's radar. With the backing of the Bush-41 and Bush-43 administrations, coup plotters removed Haiti's popular leader Jean-Bertrand Aristide, twice. George W. Bush also supported a short-lived coup in 2002 to oust Venezuela's President Hugo Chavez. And this is only a partial list of U.S. interventions in its "backyard."

So, it is important to evaluate Obama's performance on his promise to change this tragic and shameful history. Yet, it didn't take long to see that nothing really had changed. It appears that the Obama administration adopted an eight-year-long strategy of rolling back what has been called the Pink Tide of progressive or socialist leaders who dared challenge Washington's neoliberal economic model for the hemisphere.

The Obama administration favored a more subtle approach to regime change than some predecessors. Unlike the military coups sponsored by earlier administrations, Obama's coups didn't require tanks in the streets. Rather, they were disguised as domestic political clashes, starting with civil unrest and media accusations of abuses by the targeted leader, followed by legislatures or courts using impeachment or other "constitutional" means to effect the regime change. These were silent or "soft" coups carried out in democratic disguise.

An early example came on June 28, 2009, when Honduras' democratically elected and liberal President Manuel Zelaya was accused of plotting a constitutional amendment that would permit more than one term for a president. At the instructions of his political opponents on the Supreme Court, the military seized him at gunpoint and whisked him away in a plane that refueled at a U.S. military base.

That would have been a good moment for Obama to show that he meant business, that he placed democracy and social progress at the center of his regional agenda. Instead, he allowed his State Department to send signals that the U.S. was privately delighted with Zelaya's ouster.

After the coup, the American ambassador was not recalled; the U.S. refused to join the demand of the United Nation's General Assembly and the Organization of American States (OAS) for the return of the elected president; and the word "coup" was banned from the State Department's lexicon.

Although the OAS refused to recognize the new coup president, the State Department under Secretary Hillary Clinton went in the opposite direction, recognizing the coup government as the winner of controversial new elections. U.S. military support increased, too.

Yet, despite the Obama administration's linguistic gymnastics in not publicly labeling Zelaya's removal at gunpoint a coup, Obama's White House knew that it was a coup. By July 24, 2009, less than a month after the coup, the White House was in receipt of a [cable](#) sent from the U.S. embassy in Honduras informing President Obama of the facts.

In an almost comical lack of subtlety that was clearly never meant to be public, the cable is called "Open and Shut: the Case of the Honduran Coup." In it, the embassy reported, "There is no doubt that the military, Supreme Court and National Congress conspired on June 28 in what constituted an illegal and unconstitutional coup."

The conclusion could not be clearer. But just in case there were any remaining doubt, the cable added that "none of the . . . arguments [of the coup defenders] has any substantive validity under the Honduran constitution."

In the most generous interpretation of Obama's action or inaction, you could say he permitted the coup to succeed by maintaining his silence. More likely, however, his administration was a supportive participant, holding a dialogue with the Honduran military up to the day of the coup and by recognizing the coup government as legitimate soon afterwards. Zelaya has always insisted that "the coup came from the north from the U.S."

In the heat of the coup, the plane that was carrying the kidnapped president landed at the U.S. military base of Palmerola for 15 to 20 minutes while it refueled. The U.S. chose not to intervene.

In her memoir, *Hard Choices*, [Clinton admitted that she aided the new leadership](#) by short-circuiting any efforts to restore Zelaya to power. “In the subsequent days [after the coup] I spoke with my counterparts around the hemisphere, including Secretary [Patricia] Espinosa in Mexico. We strategized on a plan to restore order in Honduras and ensure that free and fair elections could be held quickly and legitimately, which would render the question of Zelaya moot,” she wrote.

### **Ecuador in the Crosshairs**

After the coup against Zelaya, Ecuador’s popularly elected president, Rafael Correa, said, “We have intelligence reports that say that after Zelaya, I’m next.” He may have been right. The year after the Honduran coup, there was an attempted coup against Correa. Although the action failed, Latin American expert Mark Weisbrot said [it was clearly an attempted coup](#) to overthrow Correa’s government.

Correa had renegotiated oil contracts and demanded a larger share of the big oil companies’ revenue for the people of Ecuador. He also opposed a free trade agreement with the U.S. and closed the U.S. military base in Ecuador. And, he joined Venezuela, Cuba, Bolivia and Ecuador in the Bolivarian Alliance for the Peoples of Our America (ALBA) and successfully defaulted on over \$3 billion of foreign debt that was illegitimately contracted by Ecuadorian leaders who Correa said were CIA-supported dictators.

The U.S. had started action against Correa during George W. Bush’s presidency. An October 2005 embassy cable sent by U.S. Ambassador Linda Jewell outlined action for “desirable political and economic change in Ecuador.” In 2006, she cabled that a Correa election would “derail” U.S. hopes as the embassy expects Correa to join Chavez and other nationalist South American leaders. In the same cable [06QUIT02150], Jewell said that the U.S. has “actively discouraged potential alliances” with Correa. She admitted [06QUIT02991] to “working in concert with other Ecuadorians and groups who share our vision.”

During the Obama years, the U.S. would continue to intervene in

Ecuador. In March 2009, Ecuador expelled Mark Sullivan, an American official who was accused of being the CIA station chief in Quito and of playing a role in the suspension of U.S. assistance to a special investigative police unit when Ecuador named a new chief of whom the U.S. didn't approve.

On Oct. 30, 2010, the attempted coup that Correa had been expecting came. The coup leader was a graduate of the School of the Americas. A government-appointed commission found that "foreign actors" had participated. One of members of the commission announced his belief that the U.S. State Department and the CIA had been involved in the failed attempt to remove Correa from power.

### **Haiti, Again**

In 2010, Obama failed another test when Washington bankrolled the Haitian elections at the cost of \$14 million, a price tag that presumably gave America significant say. Yet, Haiti's Provisional Electoral Council (CEP) banned 14 parties from running, including Fanmi Lavalas, the party of Jean-Bertrand Aristide, who had twice been removed in U.S.-backed coups.

Haiti's largest and most popular party, Fanmi Lavalas has won every election that it has been allowed to participate in. But in this U.S.-sponsored election, Fanmi Lavalas was not allowed to compete. In other words, the Obama administration financed the election that specifically excluded the party the people wanted to elect.

The next indicator of Obama's failing grade came in Paraguay, where in June 2012, Fernando Lugo, the democratically elected leader of Paraguay was removed in a coup. The right-wing opposition opportunistically capitalized on a skirmish over disputed land that left at least 11 people dead to unfairly blame the deaths on President Lugo. It then impeached him after giving him only 24 hours to prepare his defense and only two hours to deliver it.

The Latin American organizations Unasur and Mercosur suspended the new Paraguayan government, but the U.S. government spent the day of the coup negotiating a new military base in Paraguay. As with Honduras,

U.S. officials publicly avoided using the word “coup.”

Yet, as early as 2009, a U.S. embassy [cable recognized](#) that Lugo’s political opposition has as its goal to “Capitalize on any Lugo missteps” and to “impeach Lugo and assure their own political supremacy.” The cable noted that to achieve this goal, the opposition was willing to “legally” impeach Lugo “even if on spurious grounds,” a so-called “soft coup.”

## **Focus on Venezuela**

The next year, 2013, the focus moved to Venezuela in the wake of Hugo Chavez’s death from cancer. Against the wishes of the United States, Hugo Chavez’s successor, Nicolás Maduro, won the right to continue the Bolivarian Revolution by winning the [next national election](#). The U.S. was the only country in the world to [refuse to recognize the election results](#), though 150 electoral monitors from around the world observed Venezuela’s election, including delegations from the Union of South American Nations and the Carter Center.

The Obama administration’s pressure on Venezuela’s government has been unrelenting. American money – totaling at least \$90 million since 2000 – has been pumped into Venezuela to fund groups who oppose the Chavezista movement with the U.S.-backed opposition attempting another coup in 2015, which Maduro blamed on the U.S. government.

Though mocked by the U.S. government and the mainstream U.S. news media, the accusation was not an empty one. Venezuelan officials produced a significant volume of evidence that the events constituted a failed coup that had U.S. support, including a recording of a communique that was to be issued after the Maduro government was removed from power. Maduro’s government has also shown confessions by military officials. And, there was a recorded phone conversation between opposition leaders discussing the coup and involving Caracas Mayor Antonio Ledezma, who is known to have made phone calls to a U.S. phone number.

Lucas Koerner of Venezuelanalysis.com added that the [aircraft](#) to be used as part of the failed coup has links to the notorious American

security firm Academi (formerly Blackwater). And it has been reported that a number of the coup leaders obtained [U.S. visas](#) from the American embassy to facilitate escape should the coup fail.

And, just this past May, President Maduro declared a state of emergency, accusing the U.S. of once again conspiring with right-wing groups in Venezuela to overthrow his government. [Maduro said](#) that “Washington is activating measures at the request of Venezuela’s fascist right.”

### **The Ebbing Pink Tide**

The cumulative effect of all this pressure on progressive leaders in Latin America has been a noticeable ebbing of the Pink Tide movement, which had to its credit a significant improvement in the living standards of the region’s poorest citizens, although many of those gains are now being reversed.

Perhaps the sharpest blow to Latin America’s attempts to reduce poverty and structure economies more for the benefit of average people, not the wealthy, came just this year in Brazil when another “soft coup” was organized to remove Brazilian President Dilma Rousseff from office and replace her with a right-wing regime.

Again the evidence of a coup was obvious with opposition parties seizing on a budgetary dispute to overturn the voters’ will in South America’s largest country and biggest economy. The evidence included the publication of a [transcript](#) of the call between Romero Jucá, who was a senator at the time of the call, and former oil executive Sergio Machado, discussing “a national pact” to remove Rousseff and install Michel Temer as president. Jucá revealed that not only opposition politicians but members of the military and Supreme Court were in on the conspiracy.

Regarding the military’s role, Jucá says, “I am talking to the generals, the military commanders. They are fine with this, they said they will guarantee it.” And, as for the Supreme Court, Jucá admitted that he “spoke with and secured the involvement of numerous justices on Brazil’s Supreme Court,” [according](#) to journalist Glenn

Greenwald who is based in Brazil. Jucá further boasted that “there are only a small number” of Supreme Court justices that he had not spoken to. (Jucá has since become planning minister in Temer’s new government.)

So confident was Michel Temer that he had U.S. support for his coup that he was comfortable to openly boast about it in New York in front of an audience of business and foreign policy leaders in September. Temer confirmed to his American audience that Rousseff was removed from power because she refused to implement a pro-business economic plan, which featured cuts to health, education and welfare spending as well as increased emphasis on privatization and deregulation.

Temer said, “many months ago, while I was still vice president, we released a document named ‘A Bridge to the Future’ because we knew it would be impossible for the [Rousseff] government to continue on that course. We suggested that the government should adopt the theses presented in that document called ‘A Bridge to the Future.’ But, as that did not work out, the plan wasn’t adopted and a process was established which culminated with me being installed as president of the republic.”

As Inacio Vieira [reported](#) for The Intercept, “[Temer’s sales pitch](#) was chock full of standard neoliberal euphemisms and buzzwords, including the ‘universalization of the Brazilian market,’ ‘reestablishing trust,’ ‘extraordinary political stability,’ public-private partnerships, and the implementation of ‘fundamental reforms’ in areas like labor law, social security and public spending.”

And if there was any remaining doubt about the coup government’s motivation – ostensibly its indignation at Rousseff’s fiscal maneuver – there is the fact that one of the coup government’s first acts of legislation was to explicitly [legalize](#) the very budgetary act that they had impeached Rousseff for two days earlier.

### **American Satisfaction**

While direct American participation in the Brazilian coup has not been established, Obama’s satisfaction with the coup was clear from his



silence over the reversal of one more democratic result, occurring in the most important economic country in Latin America.

Considering how his administration denounces supposedly undemocratic developments in, say, Russia, Obama's unwillingness to protest another severe blow to democracy in the Western Hemisphere suggests a happiness with the imposition of a new neo-liberal economic agenda in Brazil.

That is also the conclusion of many analysts close to the Brazilian scene. "There is no doubt that the biggest players in this coup attempt – people like former presidential candidates José Serra and Aécio Neves – are U.S. government allies," according to Latin American expert Mark Weisbrot.

And Boaventura de Sousa Santos, Professor of Sociology at the University of Coimbra in Portugal and Distinguished Legal Scholar at the University of Wisconsin-Madison, said Brazil is awash in financing from American sources, including "CIA-related organizations."

The day after the impeachment vote, Sen. Aloysio Nunes, a significant player in the coup government, began a three-day [visit to Washington](#). Nunes scheduled meetings with, among others, the chairman and ranking member of the Senate Foreign Relations Committee, Bob Corker and Ben Cardin, as well as with Undersecretary of State and former Ambassador to Brazil Thomas Shannon.

Though Nunes denies it, there were reports that his trip to Washington was ordered by Michel Temer. The willingness to go ahead with the planned meetings with Nunes right after the impeachment vote demonstrated, once again, at least tacit approval on the part of Washington. If the U.S. government wanted to send a message of disapproval, the trip could have been canceled.

The cumulative impact of Obama's presidency on Latin America has been the steady rollback of the Pink Tide as socially progressive governments around the hemisphere were either removed via "soft coups" or placed under enormous economic pressure, reversing many of the social gains that occurred in the previous decade.

Ironically, progressive Latin American governments made greater strides when Obama's predecessor, George W. Bush, was in office because his administration was focused more on the Middle East and the "war on terror."

So, Obama's presidency represented less a new page in the history of U.S. relations toward its Latin neighbors than a repeat of old chapters in which the U.S. government teamed up with local oligarchs and right-wing ideologues to create an economic climate favorable to outside investors and the traditional local elites.

Obama's approach may have been more subtle than that of earlier U.S. presidents – using "soft coups" rather than deploying tanks in the streets – but the effect has been much the same, imposing U.S. economic and political domination over the region and casting aside democratic governments that dared put their people's interests first.

**Ted Snider writes on analyzing patterns in U.S. foreign policy and history.**

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