



Autocratic Populism in Latin America & The opportunities for Canada



Mitch & Christian



Issue

Given the rise in populist leaders in Latin American countries with autocratic and anti-establishment tendencies, how should Canada manage its relations with those countries?

Current Status: Mexico



- Mexican politics have been moving towards strongman rule
- President López Obrador violated laws concerning partisan statements and elections
- President Obrador has remained popular with the Mexican people (60% approval Rating)
- Popularity is due to his many social reforms (Corruption, Poverty, Youth)



Current Status: Argentina



- Argentina has been very politically or economically unstable
- Populists have been the cornerstone
- Resulted in a series of poor policy decisions (unsustainable government debt, high unemployment and high inflation)
- Election of Javier Milei, a 'far-right outsider' (Compared with Trump)
- Known for his bombastic comments and extreme policies



Current Status: Bolivia



- Historical exploitation and poor present-day management have led to a rise in populist sentiments
- Controversial populist president Evo Morales came to power in 2003 amidst the 'pink tide' (trend towards left-leaning politics)
- Tried to run for fourth term in violation of the constitution and defiance of a referendum result
- Morales left office and fled the country after multiple protests and threats of military intervention
- Currently vying for control over Bolivian MAS party and presidential candidacy amid concerns of the legitimacy of his congress



Current Status: El Salvador



- Populist President Nayib Bukele
- Salvadoran authorities have committed numerous human rights violations through anti gang violence policies
- Replaced 10 supreme court judges
- Won a fourth term on February 4th (w/ 85% of the vote)
- Enacting legislation which extends executive powers and weakens government accountability and transparency



Key Considerations for Canada

Countries with populist leaders provide challenges for relations

- The new Argentinian president presents economic and diplomatic challenges
- A result of the dire economic situation in Argentina
- Mexico is tied to Canada through the USMCA Agreement
- President Obrador in Mexico is driven by rampant corruption and economic woes



Key Considerations for Canada

These countries provide economic opportunities for Canada

- Mexico is Canada's fifth largest trading partner
- Argentina has a young labour force and many natural resources (including lithium)
- Chile and Bolivia also has large mineral deposits
- The United States is El Salvador's and Mexico's single largest trade partner



Policy Options

Option 1: Apply economic and diplomatic pressures in collaboration with the U.S.

- U.S. is in a position to apply economic pressures on these governments (including sanctions)
- Canada, through discussions with U.S. officials, can encourage the use of economic pressures to motivate political reform
- **Benefits:** Little economic expense and little diplomatic expense for Canada
- **Risks:** It places an economic burden on these countries. Canada has little control over the results and relies entirely on US cooperation. This option will also be challenging to implement again Mexico

Policy Options

Option 2: Establishing Trade Agreements with these Latin American Countries

- Canada is already in a trade agreement with Mexico
- There is a great deal of economic opportunities available for both parties
- **Benefits:** This option could be a source of aid to these countries, discouraging populist sentiments
- **Risks:** This would require a multilateral agreement for these agreements, and this option might also require cooperation with the United States

Policy Options

Option 3: Encourage Economic Aid to Latin America

- Providing development aid to improve the ability of these countries' citizens to pursue legal economic opportunities
- These populist leaders often come into power due to popular discontent at the status quo
- **Benefits:** An improved political standing in Latin America and could help to build societal stability by empowering local actors
- **Risks:** Additional economic expense may be politically unpopular in Canada. Logistical challenges in distributing funds effectively

Our Recommendation

Encourage Economic Aid to Latin America

- This option targets the root cause of populist sentiment in the region by empowering local actors and developing local institutions
- This is an option which can be implemented on all of the countries equally
- This is also not mutually exclusive with option 2, can do both of these options together.
- Risk Mitigation:
 - Collaborate with regional partners and international aid organizations
 - Emphasise economic development & reducing inequality
 - Start small and develop delivery networks before ramping up aid payments

Thank You!

Appendix:
