



The magical history tour

By Derek Sambrook, FIB(SA), TEP
Managing Director, Trust Services, S.A.,
Panama



In the March Latin Letter (The BRICs and The Beatles, issue 234) I mentioned the error of bundling countries – and therefore their cultures – together, especially regarding the deep cultural, intellectual, religious and social differences between the nations which comprise the acronym, BRIC. We ignore such issues at our peril and history is strewn with illustrations of how misconceptions can lead to conflict; what began with a war of words can end in just war. This is a subject which I have often covered but it does no harm to remind readers about it; particularly when it comes to Latin America as we watch its transformation into an important economic region.

Last month the United States of America's president visited Central America, recognising both its significance in his country's future regional policy and at the same time its economic progress (see my April column "Sunny Weather", issue 235). Barack Obama spoke of strengthening economic ties, referring also to getting away from misconceptions about Central America. Hopefully, the president's message will translate into positive action, despite the presence of two shades of leftism, better described perhaps as being either Brazilian or Cuban in origin, that he has encountered.

Slavery and sugar may connect Cuba and Brazil historically, but politically they are opposites. Jorge Castañeda, the Mexican intellectual, has written of a pragmatic left which includes the governments in Brazil, Perú and Uruguay, each of which display an international view, willingness to reform and have an open mind. Then there is the shade seen in Cuba, Venezuela, Ecuador and Bolivia (with Argentina perhaps on the borderline) which Jorge Castañeda has described as being the product of times past in which the long tradition of Latin American populism prevails and by which nationalism and closed-mindedness combine in a stultifying pact.

But change is afoot for the traditionalists, with the death of their flag-bearer, Hugo Chávez; not just because of that, however. The influence of the region's two economic blocs, the southern Mercosur trade pact (Brazil and its partners) and the free-trading Pacific economies (México, Colombia, Perú and Chile), are bound to have an increasingly positive effect.

In Monte-Carlo this month, and again in September at the Offshore Investment Oxford Symposium, I will be talking about the importance of culture as a sine qua non to understanding the Latin American client and there is no better place to start than the continent's history. The (partly) fictional fantasy written by Gabriel de la Concordia García Márquez entitled "Cien Años de Soledad" (One Hundred Years of Solitude) offers a good insight; perhaps (with apologies to The Beatles) you could describe it as a "magical history tour" which provides a background of how the fascinating South American continent developed. Its author, a Colombian, received the Nobel Prize for Literature in 1982 in recognition of his body of work.

The theme of the book illustrates how history moves in cycles as well as circles. It is the history of Macondo, a small town in an unnamed region of South America, and its founders; it is, of course, a narrative on South America. The story covers seven generations of the family and the rise and fall of Macondo; from an innocent paradise the town becomes exposed to the outside world, including the invasion of foreign imperialism. Massacres and bloodshed follow and the town disintegrates, with older family members lost in nostalgia. Eventually, the town is abandoned.

From being isolated and introspective – what has been compared to the equivalent of the Japanese "Galapagos Syndrome" – the region's peoples have emerged from tumultuous times which have left an indelible impression on their character. The novel reminds us how the thriving population of Aztecs and Incas were confronted by the European explorers who brought with them technology and capitalism. It was written in 1967 and reflected the politics

of the day with frequent changes in government because countries seemed unable to produce one that was stable; this state of affairs became the spawning ground of dictatorships. It tracks the histories of civil war, plantations and labour unrest amidst the struggles with colonialism which have shaped the views and attitudes of Latin Americans. They live with the ghosts of their past and it is not hard to understand why they have never completely trusted their governments, often transferring assets to other countries for safekeeping fearing expropriation and political instability.

“Extrovert”; “talkative”; “inquisitive”; “impatient”; these are some of the descriptions given when referring to Latins. The American workaholic model is certainly eschewed; Latins are both cautious and fatalistic given a history of wars and uncertainty and it remains true that the Latin view of life centres on living it fully with one’s family; Europeans with centuries of turmoil themselves can appreciate this. An understanding of what motivates others is helpful in both business and diplomacy; we should, however, indulge in some introspection too. Robert Burns, the Scottish poet, mused about some power being able to give us the gift to see ourselves as others see us and doubtless a lot less strife in this world would have surely been the result if more of us possessed it. More reason to hope that President Obama’s May visit to Central America (perhaps with a dash of introspection) will go some way to alleviating tensions, not just there but in the US where those with Latin American roots are the largest minority group in the population.

During my talks and also in my writings I have reflected on the economic times that we are passing through and once again I’m drawn to the words of that sage of the cinema, Woody Allen: “More than any other time in history, mankind faces a crossroads. One path leads to despair and utter hopelessness, the other to total extinction. Let us pray we have the wisdom to choose correctly”. With much of Europe in economic enervation there comes the news from the US Census Bureau that an estimated 50 million Americans are living in poverty; that is one in 6 of the population and not since the mid-1960s, when President Lyndon Johnson tried to launch a war on poverty, has such a situation existed.

Eric Hobsbawm, the late British historian, once wrote that “Nobody who discovers South America can resist the region, least of all if one’s first contact is with Brazil”. The Brazilian author, João Emanuel Carneiro, says “The US is returning to extremes of rich and poor while Brazil is going in the other direction. Brazil is becoming more Americanised while America is becoming more Brazilianised”. Besides bringing its level of inequality down over the last 10 years (it’s 8 per cent lower now than at the start of the 1990s) the country has transformed itself during the last 30 years from being a food importer into an important food exporter. Already the world’s largest producer of sugar and orange juice – as well as the second-largest beef producer – by next year it could become the world’s largest soya producer, overtaking the “big five” grain producers, namely, the US, Australia, Canada, Argentina and the European Union.

Certainly Woody Allen’s despair and hopelessness do not apply to South America. It is destined to play a more international role in years to come so understanding the South American client will become increasingly relevant for both businessmen and those professionals providing services to them.

The late Hugo Chávez once handed President Obama a copy of “Las Venas Abiertas de América Latina” (Open Veins of Latin America) which was written by the Uruguayan, Eduardo Hughes Galeano. The sub-title of the book sets the book’s tone: “Five Centuries of the Pillage of a Continent”. President Obama suffered no such embarrassment on his Central American visit in May, but this is not to say that the book’s sentiments (and indeed those of Gabriel de la Concordia García Márquez) do not resonate in many quarters. (Next month I will return to the Uruguayan author and his country.)

Brazilians use the word “grandeza”, or greatness, to describe their country (which by some estimates is the world’s sixth-biggest economy) seeing itself destined for empire. The remaining collection of countries may not seek empire but they are equally proud of their separate identities. It only takes time, not solitude, to understand the Latin culture and the tour offered by the Colombian Nobel Prize winner is certainly worth the trip.

www.trustservices.net