

Latin (America and) Europe. Who Is Pulling Away From Whom?

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Abstract

In the EU, the new millennium brought about other horizons of integration and growing economic difficulties that downgraded Latin America as a priority. In Latin America, the “Atlantist” impulse was weakened when the consolidation of democracy began to wane. Latin American authoritarianism sprung back in the form of a populist eruption. This paper intends to show the difficulties that exist on both sides of the Atlantic: on the one hand, the strength of “Latin Europe” to keep latinamericanism in the forefront in the EU and, on the other hand, that Latin America stop the populism that embraces trade barriers under the banner of a new nationalism that already shows a certain contempt for the developed world.

1. Introduction

The attempt to reformulate the historical relations between Europe and Latin America and the proposal of a new “atlantism”, now an “integrational” one, were on the agenda while at least two decisive elements of the political realities on both sides of the Atlantic were maintained within reasonable parameters.

On the Old Continent, the Community’s project advanced reasonably well based on persistent economic growth, an element which was the very backbone of the European imaginary that fed and feeds its projection beyond the Atlantic. Nevertheless, the millennium brought about new challenges for the EU. It opened a new road of expansion towards the East and in doing so, pushed Latin America and the Caribbean to the bottom of its list of priorities. From then

on, the rapprochement of both regions remained subject to the impulse of the Presidency of the EC, which usually originated from Spain, Portugal or, to some extent, France. Meanwhile, on the New Continent, and in spite of its painful heritage of economic underdevelopment and the decline of its military dictatorships in the 1990s, it was the “American variable” that made the construction of an “atlantist” imaginary possible; one that retained the odds and ends of the old “Americanism” from the beginning of the 20th century as well as the remains of the wild “anti-imperialism” of the 1960/1980 period.

However, EU/LA-C relations have been changing over the past decades, influenced by different circumstances in both regions. Europe, due to its expansion to the East and later its economic crisis, seems to contemplate other priorities; Latin America, since its reiterated populist political swerves, has been moving away from the “atlantist” horizon and reformulating its relationship with Europe, which varies depending on the side of the prism we address the process from.

1. The itinerary of the European Union

It can be easily said that both regions are “natural allies”¹, nonetheless, it is true that European cooperation with LA-C and its in-depth look towards these latitudes is not shared by everyone in Europe. It was fundamentally Spain and Portugal, and to a lesser extent France and Italy, who fueled the European sympathy towards LA-C. This became clear after the entry to the EU of the members of Old Europe, emancipated from the catastrophe of the URSS: the priorities of the agenda of international integration changed and it was not until the Madrid 2000 Summit when the European impulse towards our continent was enthusiastically relaunched.

A. From the beginning of the 1970s, the European cooperation with LC-C has been centered on social areas as part of the European policy of

¹ This point can be given as admissible. The concept of “the West” has its rationale, at least from the fifteenth century onwards, as a way to describe and understand a cultural share whose two pillars are Europe and the Americas.

cooperation for development. In the 1980s, more specific bilateral cooperation arose in the areas of education or health, but always in the context of the fight against poverty and aid for development. It was in the 1990s when the first regional programs emerged and in the new century, we saw the birth of financing systems (aimed at enterprises and the development of SMEs) and commercial aspects that drove the EU to propose free trade agreements with some countries and regions.

In 2009, Celestino del Arenal clearly described the reasons why the relations between the EU and LA-C seemed to have come to a standstill at the beginning of the new century². There are six clear facts that affected and affect the relations with and in the world:

- 1) The world economic crisis, which brought about the slowdown of the economies, the decrease of investment and cooperation.
- 2) The international policy of the United States has changed from a very militarized one with Bush to a more multilateral and less interventionist one with Obama, but it has other internal priorities in this moment.
- 3) The crisis in the Middle East, which from the European point of view, diverted its attention away from LA by setting its priorities in its vicinity and reinforcing its external frontiers.
- 4) The growing strategic, economic and political weight of Asia, centered on the increasing presence of China and India in LA and Africa, which begins to modify the post-WWII status quo, although it is a purely commercial interest³, especially on China's part.
- 5) The primacy of the multilateral commercial negotiations, in the context of Doha, which have not had great results, impelling the EU to try to make regional and even bilateral agreements.

² Celestino del Arenal, "Las relaciones entre la UE y América Latina: ¿abandono del regionalismo y apuesta por una nueva estrategia de carácter bilateralista?", Real Instituto Elcano, DT 36/2009.

³ Shixue Jiang, "Diez sugerencias para China y Europa para desarrollar sus relaciones con América Latina" ". En *Bases renovadas para la relación UE-Al y el Caribe* 2012, pp.66-68

- 6) The redesign of the objectives of the Millennium for development, which placed the poor countries of Asia and Africa ahead of most Latin-American countries on the international agenda of cooperation.

From the European point of view, the 21st century started with the challenge of adapting the institutions of the EU to the great enlargement foreseen in 2004 and the incorporation of 12 members of Old Europe who had little or no interest in maintaining or enhancing ties with Latin-America. This distracted the attention of the EU from the matter and generated not only a political but also an economic and strategic impact on the new borders of the EU.

On the other hand, the enlargement is still an on-going process and the next candidates are countries who do not have a particular interest in the region, such as Island, Croatia, Turkey and Macedonia. As mentioned above, the institutional crisis which obliged the EU to put into motion a marathon of reforms of the treaties and the constitutional proposals that led to the signing of the Lisbon Treaty in 2007, have not boosted the relations with Latin-America either.

It is worth noting, always in line with Arenales, that LA-C is not on the EU's security and strategic agenda because it does not represent a threat to the continent. This has a positive side, but the EU's main concerns (Kosovo, the Iranian/Israeli conflict, Iran, the Arab spring) divert its attention and resources away from our continent.

Lastly, the fact that the EU speaks for Europe whereas nothing similar exists on this side of the Atlantic, that a continent has neither a single voice nor an efficient lobby in Brussels, in a context of disinterest on the part of Europe, make it almost a crucial issue. It is true that the great asymmetries and regional differences do not help, but not addressing the issue is not the solution either.

B. In this sense, the UE-CELAC (LA-C) summits have worked as a good articulator of the dialogue between both regions, although with few concrete results. Europe has been and continues to be present in

everything related to cooperation and aid for development. In every country, one can see the presence of different European programs that bring funds to carry out projects of growth or rural development. The problem begins to emerge when go deeper and talk about the liberalization of commerce, goods and services, the facilitation of investment or when we review the public aid destined to specific productive sectors: this is precisely where little progress has been made and, if we enlarge the photo and try to see the macro situation, we see that there is a very difficult path that has been obstructed several times. However, commerce is reasonably fluid and important between the UE and LA- C, the FDI of the EU represents 43% of all the FDI of the region⁴. The path towards a strategic “partenariat” (partnership) must continue to be developed, for instance, in the achievement of a bilateral agreement with Brazil, who has become the interlocutor of the MERCOSUR in Europe and who presents itself as a natural leader in the Southern Cone, perhaps capable of stopping, if it really wants to, the populist impulses that come down from Venezuela or balance the “élans” of the Kirchnerist Argentina that is not far behind. The extra-regional agreements that the EU has achieved have been very positive, and both Chile and Mexico have signed free trade agreements with the EU, increasing bilateral commerce by 250% and 70% respectively, according to the European Commission.

However, economic cooperation and private investment in our latitudes have encountered several obstacles that LA-C must overcome if they want to maintain them. Among such obstacles are corruption -especially in customs, which is seen as a critical point for 68% of companies that negotiate with LA-C (data from AI-Invest)-, and the granting of investment licenses or permits, transportation and logistics -which goes hand by hand with very underdeveloped infrastructure in some countries, especially in the Caribbean-, the tariff, non-tariff and phyto sanitary barriers are seen as obstacles that consumes the employer’s time and money and the insecurity and violence in

⁴ Data retrieved from the EU official website: http://eeas.europa.eu/la/index_es.htm. Accessed on 24/01/2013.

some countries, which do not offer a transparent legal system that, for instance, guarantees respect for private property.

The Declaration of Santiago⁵, product of the EU-CELAC meeting held last January, reaffirms the commitment of both regions to promote trade and investment, avoiding protectionism, as a way that ensures sustainable development and economic growth by creating jobs, always on the basis of cooperation and complementarity, solidarity and social inclusion and environmental responsibility. With respect to the current crisis, it is recognized that the recovery is slow and that both regions must work in the construction of a new international financial architecture, thus retaking a concept already developed in the 2010 Madrid Summit.

The President of Chile, Sebastián Piñera, stated that the end of the Summit was the beginning of a new strategic alliance that would allow a more symmetrical relationship between the two regions at a moment when LA-C does not stop growing and Europe is enduring one of the worst crises in its history. In this sense, the Pacific Alliance, created in 2012 by Colombia, Chile, Peru and Mexico, generated great interest among Europeans as two of its members have signed free trade agreements with the EU and Colombia and Peru are moving in the same direction.

In short, we have experienced over 20 years of attempts to advance towards a bi-regional strategic alliance that amounted to mere declarations until the Madrid Summit 2010, which as we already noted, succeeded in relaunching the relationship between the EU and LA-C, along with the Chile Summit 2013 that, to some extent, also renewed the hope that this is the time when significant progress can be made and translated into facts.

2. The Latin American political meanderings

We have begun by describing the new (and perhaps increasing) difficulties that have been appearing in the Europe - LA-C rapprochement process from the

⁵Article retrieved from:
http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/EN/foraff/135039.pdf

perspective of the EU policies, but this does not make the EU the starting point or "primary cause" of the relationship difficulties we want to address. There is nothing more futile than trying to measure the vicissitudes of international relations in terms of a simplistic view in which "the other" is always "the problem". It is not necessary to declare oneself adept to the starkest realism to be aware that both countries and blocks of countries usually "propose" objectives that are ultimately determined by relations of power (in broadest sense of the word). Having said that, and keeping in mind that both regions are "natural allies" due to deep historical reasons, it is still true that the difficulties of rapprochement between the EU and LA-C are neither symmetrical, nor similar, nor of the same nature. Moreover, the apparent asymmetry between the powerful EU and a weaker Latin-America affects the nature of the obstacles that each of them face when it comes to approaching or withdrawing from its potential "partner".

In this first draft, after having addressed the topic from the European perspective, we will now list and briefly develop the obstacles in the relationship between the two blocks from the perspective of LA-C.

- A.** In LA-C, there is an old rhetoric that strictly responds to a reading of Europe anchored in the past and that ignores the radical international transformations that took place during the last century. That rhetoric, derived from the early Americanism from the beginning of the 20th century (but whose roots can be traced back to the anti-Hispanic "black legend") and later merged into a nationalist and anti-imperialist rhetoric, was always bogged down in a strictly national view of European countries as evil colonial powers, while it cultivated, for itself, a "Latinamericanist" regionalist rhetoric and foreign policies which were always imbued in nationalism and protectionism.

That rhetoric, after a period of relative appeasement due to the resounding failure of the Cuban revolution, of real socialism and of the whole ideological universe of the "historical victimhood" of LA-C, has seen a revival. If, for a decade, LA-C recognized and took into account

the positive role played by the European democracies in the fall of military dictatorships, which delayed the anti-imperialist "revival", it was short-lived and that memory was already deleted in the past decade. The recurring story returns and it does so rearing in apparently new formulations, but this does not necessarily translate into good news for the LA-C – EU relationship (nor for relations with other powers, for that matter). Bolivarianisms, indigenisms, "new development models" based on bogus statistics, and other operetta socialisms once again take up the idea that our countries were, for a long time, victims of a universal conspiracy led by the "central countries", with the EU playing a major role.

If the only problem was the rebirth of a two century-old worn-out discourse, the issue would not deserve to be brought here, not even as a second order obstacle for the analysis in question. The problem is that the revival of this narrative is animated by a true political drift towards the most primitive populism of a number of highly significant countries in LA-C. What matters here is that the strengthening of populist regimes brings a series of changes in the theoretical claims upon which LA-C had started its way to integration with the EU⁶ and these changes seem to have revealed themselves as Latin-American "obstacles". These changes that have taken place over the last ten years play an important role in explaining why Latin-America has moved away from Europe.

B. 1. A decade ago, LA-C was seeking out new ways of integration because it admitted that free trade, fostering the movement of capital, and, in general, the liberalization of the economies were desirable processes which favored the development of the subcontinent. Indeed, it was first the integration between the countries of the subcontinent and it was, too, integration with more developed economic blocks like the EU: it was admitted that the mutual approach was the core that could enhance the

⁶ In case someone has forgotten, this process of rapprochement was born on the right track. "The main concept was to develop a building block for global governance upon the cooperation of two regions with significant links and common interests between them and, at the same time, with clear democratic values and social concerns ". Felix Peña, "Mercosur / European Union Dialogue ", 2013. Apex ed. Brazil, p 55.

development of LA-C (the mere establishment of a Free Trade Agreement with a developed economy, as Mexico had boldly signed in early 1994, was already showing its fruits).

Today, the South American or Latin American and Caribbean “integration” is no longer interested in free trade - (we will later see that protectionism abounds) - and has become an enterprise in which the main point is a kind of “ideological coordination” between countries like Venezuela, Ecuador, Argentina, Bolivia, Nicaragua, Paraguay, and, to a lesser extent, El Salvador and Uruguay, where “opposing” Western powers’ policies (mainly the U.S., EU and Japan) matter more than trading freely with them.

In solidarity with this process, the few steps taken towards the liberalization of trade spaces, like the Mercosur, have regressed and, in this case in particular, it has completely abandoned the original spirit of the former Treaty of Asuncion. This can surprise nobody. The return of populism goes in hand with the return of state intervention and, even worse, of an intervention which is, at the same time, archaic and authoritarian because slowly but surely, many of our countries are closing their borders to “protect” their markets and are making no effort to be present in the international⁷ market, except for the growth of some of their commodities.

B. 2. Not only has the prospect of a regional and supra-regional joint effort moved away from the “liberalization” of the economic and productive activities, but LA aimed at generating an entirely new agenda, where the political-ideological alignments of a group of countries and the ideological “deviation” of others, play the principle role. In fact, a group of countries, such as Chile, Colombia, Peru, Mexico and a good part of Central America, have been submitted to a kind of marginalization within the regional and sub continental setting, and as long as their political stance and their really opened economies, in the face of the development of the

⁷ It is worth noting that this policy of “ECLA” origin is diametrically opposed to all successful development experiences of the post-war era. From the Japanese case (which had started from a respectable level development), through the now forgotten “Asian Tigers”, culminating in the Chinese or Vietnamese surprising rise.

new “ideological regionalism”, do not clash with what the firmly established populist regimes of others countries are imposing⁸.

This process can be best illustrated by two typical cases. Today, Chile has fully embarked in a policy of integration with the countries of the Pacific region and, if it has not openly rejected the Latin-American regionalism, it is more because of its diplomatic skill and common sense, than because it feels that it is possible that LA and the Caribbean can negotiate as a whole with a block of the importance and significance of the EU. The second case is Brazil, but given its exceptional importance, it deserves an appropriate and specific treatment.

B. 3. Brazil's case is a second example of a country that has turned away from regional integration and the integration of the region with the EU and the world in general, for similar reasons as Chile. However, it has added some specific and worth-studying components.

In this change in the conception of regional integration, Brazil, due to its scale and scope, has carried out some reasonable policies and in light of the very favorable international situation, began to envision that its future international role was not restricted simply to the leadership of the Mercosur, or possibly, of South America. Brazil began to consider itself as a possible world power that would have a role among the great powers of the globalized future. From this perspective, both the regional and “traditional” instruments such as LAIA, Mercosur or the Andean Pact etc., as well as the more recent ones, such as UNASUR, ALBA, CELAC, change. Even the important negotiations that so far have been developed with the EU, are also being interpreted by Brazil from a new point of view.

⁸ Strictly speaking, and although we are aware that this statement cannot be strictly "proven", actually in today's LA-C the concern for the development (and the role of trade in such development) has been partially abandoned to be replaced by a protectionist, autarkic, and increasingly nationalistic vision of development, mostly driven by a distributive desire sometimes well-meaning but economically unfeasible.

Brazil's view of the region is driven by an essentially "cutting edge" policy to the extent that the global role to which it aspires presupposes or requires two things:

- Manage to line up behind them an abundant "troupe" of Latin-American and Caribbean countries that are prepared to become their "area of influence".
- To be able to send the traditionally powerful countries the message that it is willing to play on an equal footing with them in all areas, including the LA- C- EU negotiations.

These two processes are already underway but the results are still to be seen.

B. 4. – Regarding Brazil's "sphere of influence" in the Southern Cone, they are relatively close to a first profiling as to what it would be, though it is still far from being able to show any type of guarantee that they will succeed. Argentina has been the traditional obstacle, but they have made things easier by carrying out a series of particularly senseless policies (of different types, and in diverse fields, which we will not describe here), that have progressively reduced their influence compared to their northern neighbor.

Brazil then, in the Southern Cone of America, apparently has the means to plausibly organize a "une arrière-garde", albeit with a significant question mark: how far is Chile really willing to play that role?

At the Latin American level, if Brazil wants to become the leader of the sub-region, it faces Mexico, a competitor that is nearly Brazil's size and is infinitely better positioned to articulate complementation agreements of all types and extent, with the main regions of the world. Regarding the second requirement that the new vision of a Global Brazil requires, it has to establish itself as the "valid spokesperson" before the world powers. But for that it is useless and insufficient to develop a diplomacy marked by specific acts of insubordination, which border on adolescent rudeness, and through which it aspires to intervene

affairs of its elders. Some examples are: the irreverent tips that Rouseff gives Mariano Rajoy on how to get Spain⁹ out of its economic crisis, the ludicrous flirting with Iran, (only exceeded by Argentina's President Cristina Kirchner's sell out to the same country) or the transgression in the sad case of Honduras and the "Mexican / American space", However, there is little sign of a strengthening of the international policy of a country that has a rational strategy to achieve the above-mentioned objectives and also the means to achieve it over time.

C. But perhaps the most evident and laborious obstacle to recognize so as to stop LA-C from moving away from the EU, has to do with the increasing dynamics of the Pacific region as well as the inexplicable incompetence of the populist rhetoric to be aware of the rapid progress of the process taking place at their backs. But what cannot be lost sight of, is that, in almost two decades of discussions, draws, paralysis and renewed outbursts of optimism between LA-C and the EU, processes have developed to increasingly strongly compete with the original objectives of a bi- regional approach.

In November of 2011 in Honolulu, U.S.A, Australia, Brunei, Canada, Chile, Malaysia, Mexico, New Zealand, Peru, Singapore and Vietnam (Thailand in late 2012 expressed interest in participating) announced the main outlines of a free trade agreement that aspired to liberalize all goods, services, investment, and other non-traditional aspects of trade between these nations. This enormously ambitious TPP integration process will surely confront many difficulties but, unlike what has happened with negotiations between Latin America, the Caribbean and the European Union, it has grown and increasingly incorporated stakeholders, and especially LA-C countries that see no sense in the political course with which the regionalism in the subcontinent is being handled. Created in 2006 as a modest free trade agreement between Brunei, Chile, New Zealand and Singapore, from 2010 to date they have held 15 meetings in which issues have been discussed that go far beyond those traditionally discussed in

⁹ Politicians and academics are beginning to accept the strange idea that countries in Latin America, which at this time are being economically successful, could "advise" European countries on how to address the crisis and how can they devise an integration model for the old continent different from the actual EU.

the Free Trade Agreements. Needless to say, the repetition ad infinitum of difficulties in moving forward between the EU and LA-C, have done nothing more than to promote new infinitely more dynamic processes, eventually seriously complicating a bi-regional agreement that history shows should have been obvious.

3. Conclusions

We started this work by bringing up the "Latinity" of a Europe that keeps it near our continent and, at the same time, we noted the evidence that, in the last decade, both regions are increasingly moving away from one another. Clearly, we believe that both regions have their reasons for closing in or separating, sometimes simultaneously, sometimes separately: the distance between EU- and LA-C functions as if they were two magnets that attract and repel, depending on the situations in which they find themselves. In this sense, the scenario we have from Madrid 2010 onwards is, on one hand, a Latin Europe that should exert increasing efforts to keep alive the prospect of integration and the ties with LA-C and conjugate it with a much more diverse EU, whose interests are far away these lands. On the other hand, we have a Latin America and the Caribbean that oppose integration, particularly in certain key countries where forms of commercial protectionism resurface and political populism pervades, with a certain disdain for the developed world, blocking the integration negotiations between our regions. However, the recent EU-Chile CELAC has renewed hopes of obtaining agreements, facing the reality of a Pacific region that is coming closer and perhaps offers more concrete opportunities for trade and development between both regions.