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The EU and CELAC: Reinvigorating a Strategic Partnership



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LIST OF ABBREVIATIONS

ACP: Africa-Caribbean-Pacific

ALBA-TCP: Bolivarian Alliance for the People of Our America – People’s Trade Agreement (Alianza Bolivariana para los Pueblos de Nuestra América – Tratado de Comercio de los Pueblos)

ALCSA: South American Free Trade Area
(Área de Libre Comercio Suramericana)

AP: Pacific Alliance (Alianza del Pacífico)

ASEAN: Association of Southeast Asian Nations

CAF: Development Bank of Latin America

(Corporación Andina de Fomento – Banco de Desarrollo de América Latina)

CELAC: Community of Latin America and Caribbean States (Comunidad de Estados de América Latina y el Caribe)

CEPR: Center for Economic Policy Research

CFSP: Common Foreign and Security Policy

IACHR: Inter-American Commission on Human Rights

COP: Conference of Parties

CRA: Contingency Reserve Agreement (BRICS)

DCI: Development Cooperation Instrument

DFI: Direct Foreign Investment

ECLAC: Economic Commission for Latin America and the Caribbean

ESM: European Stability Mechanism

EIB: European Investment Bank

EU: European Union

GSP: Generalised System of Preferences

IACHR: Inter-American Commission on Human Rights

ICT: Information and Communication Technologies

IDB: Inter-American Development Bank

IMF: International Monetary Fund

INTAL: Institute for the Integration of Latin America and the Caribbean
(Instituto de la Integración de América Latina)

LAIF: Latin American Investment Facility

LMIC: Lower Middle Income Countries

MDG: Millennium Development Goals

MERCOSUR: Southern Common Market (Mercado Común Del Sur)

MIC: Middle Income Countries

NGFA: New Global financial architecture

NDB: New Development Bank (BRICS)

ODA: Official Development Aid

OAS: Organization of American States

OECS: Organization of Eastern Caribbean States

OECD: Organisation for Economic Cooperation and Development

RCEP: Regional Comprehensive Economic Partnership

SELA: Latin American and Caribbean Economic System
(Sistema Económico Latinoamericano)

SICA: Central American Integration System
(Sistema de la Integración Centroamericana)

SSC: South-South Cooperation

SUCRE: Regional Unitary Compensation System
(Sistema Unitario de Compensación Regional)

TTIP: Transatlantic Trade and Investment Partnership

TTP: Trans-Pacific Partnership

UMIC: Upper Middle Income Countries

UNASUR: Union of South American Nations
(Unión de Naciones Suramericana)

UNDP: United Nations Development Programme

UNFCCC: United Nations Framework Convention on Climate Change

WTO: World Trade Organization

FOREWORD

In 1999, Latin America, the Caribbean and the European Union ventured into what was qualified as a “strategic bi-regional partnership”. It was an ambitious project that aimed to establish a large free trade zone between the two regions through association agreements between the different sub-regional groups, represented on one side by Latin America and the Caribbean, and their European Union on the other as counterpart.

However, the proposed strategic partnership did not exhaust its objectives in the realm of trade. Its purpose was to build a sustainable socio-economic model that would guarantee the elimination of poverty and the development of the two regions through evermore fluid dialogue and cooperation. The intensification of trade relations was framed within these parameters, which were the manifestation of the belief that joint action and commitment together were offered an added value when it came to addressing the issues on the bi-regional and global agenda.

A sustainable socio-economic model implies fulfilling the objectives of social cohesion and inclusion in both regions, while, at the same time, foregrounding the will to orchestrate greater coordination in the multilateral fora, where the global agenda is managed with, among other things, a view towards safeguarding and promoting shared principles and common values, such as democracy, the rule of law, human rights and fostering an environment for the sustainable development aspired to by both regions.

The advancements and achievements made over the last fifteen years have been pivotal for this strategic partnership, as have been the changes in various orders that have had an impact on it. Currently, the anticipated association agreements have to a large extent been achieved, even if they do not include all countries in Latin America and the Caribbean region. As this paper acknowledges, these agreements no longer seem sufficient to inspire and propel the strategic partnership. The objectives to broaden and promote access to trade have largely been expanded as a result of various understandings that not only associate the two regions, but also link countries of the two regions with other parts of the world.

Added to this is the delicate period through which the European Union is currently going. The slow recovery from the financial crisis, the persistent risk of deflation with a triple dip recession, along with the apparent loss of confidence in European institutions that can be perceived in important segments of the population, seemed to stem from the disillusionment – especially in young people – of no longer seeing reflected in the EU the motivational promise of greater freedoms and opportunities that had generated so much enthusiasm in the past. On the contrary, the management of the crisis and the adjustments required in that context in the welfare state have led to a situation in which there is a wish to make the European institutions responsible for the prolonged and high unemployment, for the financial constraints and what some segments of society perceive as a democratic deficit. This sentiment was most notably manifested last May, when parties with a Eurosceptic support-base reached unprecedented results in the European Parliament elections.

The final element that shapes this situation is the emergence of centrifugal forces within the European process that have contributed to project, beyond all objective reality, the image of a crisis that reaches the very essence of what until recently was recognized, even by its critics, as the most successful and ambitious integration model in history.

For its part, Latin America is going through an unprecedented time on different fronts. On the one hand, the region experiences a greater degree of autonomy in relation to the United States, historically the hegemonic force in the region, thus becoming a more assertive and independent player on the international scene, which, in turn, has led the region to promote new dynamics of integration, coordination and cooperation. Furthermore, all this is taking place in a regional context that is defined by the diversity of views among the respective governments of the region with regards to the modalities of integration, thereby producing a multicoloured mosaic of positions and behaviours.

Likewise, the last three decades have brought about unprecedented economic growth in Latin America due to the increasing demand for commodities by new global powers (in particular China) and, to some extent, the growth of domestic demand. At the same time, the application of widespread progressive social policies has had a significant impact on the improvement of social indexes, particularly those related to poverty levels. Although the vulnerability of wide sectors of society continues to be significant and inequality, despite having registered significant improvements, continues to register at high levels and therefore remains a pending issue for the region.

Growth has not been experienced in the same way everywhere. In a significant number of Caribbean States, for example, economic performance has been below the regional average and in some specific cases, has brought about situations of sharp contraction and high public debt, leaving little room for recovery without affecting governance.

Besides, within the countries that make up the Community of Latin American and the Caribbean States (CELAC), the beneficiaries of growth over the last decade have also shown a clear dif-

ferentiation at a macroeconomic level and in the ability to respond to a global economy that is decelerating, and which generates apprehension in one and other country. For Latin America, and South America in particular, this may be explained by the increased dependency on a production structure based on commodities. This reliance is especially critical considering that there has been no diversification of production structures, something that the years of prosperity have not helped to achieve, particularly in relation to the productivity of small and medium enterprises, which remain the biggest employers.

In addition, new international agents play a prominent role on a global level in the areas of trade, investment, finance and knowledge, are creating new challenges, opportunities and interdependencies between the two regions. This makes the situation evermore complex, given that both the EU and Latin America and the Caribbean seem to prioritise the opportunities proposed by emerging economies, in particular by China, therefore introducing a new variable to the analysis of the bi-regional EU-LAC association.

The EU recognises China as one of the ten countries with which it has a strategic partnership.¹ As such, it has certain dialogue privileges that are seemingly only afforded to nine other countries. However, the need for positioning within the important Chinese market demands that EU countries continue to prioritise their national outlook towards China. Meanwhile LAC countries, convened within CELAC, have just concluded the I Ministerial Forum China-CELAC² where they approved a Declaration and an ambitious Five-year Cooperation Plan, which includes areas of, and objectives that are political-diplomatic, economic, commercial, financial, scientific, technological, environmental, cultural and social.

Within this context of change, both at global level and among the regions themselves, it may be important to ask whether the projected of strategic association between EU and CELAC is still relevant. Certainly, the values that inspire and sustain the association remain valid, but as this paper proposes, they may need to be updated, thus endowing them with greater political momentum that would stimulate an agenda that aims to avoid perpetuating these values as mere symbolic expressions with no real meaning.

At the EU-LAC Foundation, not only do we believe that the strategic bi-regional association continues to be desirable, but we consider it to be of greater urgency today than in 1999. Global changes offer new challenges which, given their nature and magnitude, none of the regions could face successfully and comprehensively in isolation without compromising the essence of their values. In any case, the effort to regain competitiveness in a globalised world creates urges, pressures and trends that could lead to compromising welfare in general, or could further aggravate the existing conditions of inequality and exclusion - a situation that both citizens and governments from both regions can prevent by working together.

¹ Other countries include: Brazil, Canada, India, Japan, Mexico, Russia, South Africa, South Korea and the United States.

² Beijing, 8-9 January, 2015.

But the possibilities for overcoming these challenges would increase with a mutually beneficial common strategy that allows for the promotion of the opportunities offered by a globalised world. This would therefore not be the kind of association that excludes relations between each region and third parties, but functional in terms of maximising the potential benefits of these relations. All of which implies an association that would assume its strategic nature definitively and that would progressively and deliberately move forward towards a genuinely shared global vision.

This is the premise that inspires this study and the decision of the Foundation to venture into the reflection process that nurtured it. In this regard, the singular and complementary vision that the EU-CELAC association can provide in a world in complete transformation, allows for the discussion of emerging topics in an inclusive manner, while seeking to create synergies between governments, the private sector, universities, workers' unions and civil society. Convergences and common values lay the foundation to project success for the bi-regional association for the coming years; these initiatives should therefore be fostered and capitalised on. Notwithstanding, these are just the foundations of a joint effort to build a future association that is even more robust and better equipped to confront the challenges that emerge from a changing international context, and that maximises the potential that make the association even more desirable.³

An example can be found in the commitment of the European Union to support higher education and innovation, as framed within its 2020 Strategy. It opens a window of opportunity for CELAC countries to intensify cooperation in these areas, thereby strengthening the highly qualified labour force in the societies of both regions, the link between universities, research and business, the internationalisation of SMEs through their incorporation into value chains, taking advantage of complementing demographics, and in more general terms, bi-regional competitiveness and global outlook.

For its part, Latin America, embodied by the Community of Latin American and the Caribbean States (CELAC), explicitly recognises the importance of these issues and is developing a road-map to cooperate on them, as per the 2014 Action Plan. In this Plan, issues such as food security and family agriculture are considered a priority as well. Ultimately, both regions have complementary interests with high potential for joint action in accordance to the emergent priorities of the global arena.

One essential element and distinguishing feature of the EU-LAC association is that, although it seeks a consensus and harmonises interests in favour of collective action and the enhancement of bi-regional relations, it does so whilst recognising the diversity and heterogeneity of national particularities, specific world-views and the priorities of each of its members. It is precisely this

³ In this year and next alone, there are at least three topics that are expected to unfold in the global context: the Agenda for Sustainable Development, a new Convention on Climate Change, and in 2016, and Extraordinary Session of the General Assembly on the World Drug problem. These three issues are of transcendental importance and interest to both regions in which there are not necessarily agreements on every aspect. However, the significance for both regions offers the opportunity to test the dialogue that could lead the process to a satisfactory outcome.

recognition that shapes a large part of the political capital that will enable both regions to agree upon a “pact for development”. This pact will serve to confront the changes on the international stage and will be highly selective with regards to the issues to be included; it will, however, factor in these issues in at least three areas: in the strengthening of the bi-regional association itself, thereby increasing confidence and shared knowledge and forging reciprocal ties; in the social legitimisation of the process through areas of interest and significance for citizens of both regions; and through issues that help to affirm the role of both regions on the global scene as assertive agents in order to effectively contribute to the construction of a new social contract of a wider global reach. All of this is to be achieved within the framework of the purposes set out to promote the Post-2015 Development Agenda.

As a means to strengthening the relationship, the bi-regional association is also oriented towards a relationship that is evermore horizontal and reciprocal in nature and substantiated by their common interests, shared learning and exchange of experiences, as evidenced by the tendency towards bi-regional cooperation, especially where social cohesion is concerned. In keeping with this positive trend, it seems necessary to re-politicise the dialogue between regions and to redefine a strategy regarding the priorities on the agenda, as will be explained in more depth throughout this paper.

It is reasonable to question the viability of the proposed objectives if the circumstances through which the regions are going through, how these circumstances are affecting their relationship, and the context in which the relationship is struck, are taken into account. For this reason it is important to probe into some of the factors that influence the current reality with regards to the bi-regional relationship.

In the past, the European Union has demonstrated its capacity to overcome significant crises. The creation of a single market, established in the 1980s, helped to swiftly overcome the stagnation of that time. It also revitalised the process, expanded its competencies and produced the momentum that has since allowed the dynamics of European integration to subsist. Perhaps, part of the problem lies in the fact that the initial momentum is no longer enough to drive the project forward. There seems to be a need to renovate and rekindle the energy of its beginnings so that the process can continue to move forward.

It is true that the challenges facing the EU are now greater than three decades ago, especially when it comes to financial issues. Nevertheless, over the last months, a new consensus that favours economic growth and employment has emerged as the next step following austerity, which could be crucial to overcoming the risks of deflation and a new recession. This may lead to financial restructuring, better crisis management and, eventually, a reduction in the rates of unemployment. However, this will not be enough to foster the impetus needed to reinvigorate the process, nor will it be enough to face the other challenges that the EU faces inside and outside the Union.

At the time, the centralisation of European monetary policy was the result of a long process of nations aligning alongside each other. Perhaps this helps to explain the absence of a similar

tendency in fiscal matters when it came to establishing the euro as the common currency. A series of reforms put in place to address these deficiencies have contributed to regaining some degree of stability. However, it appears that there are still many aspects that need to be dealt with if confidence in the euro, a currency that the majority of Europeans still are confident with, is to be consolidated.

The democratic deficit that sectors of European citizens denounce in times of crisis, as well as their sentiment of distance from the decision-making processes, seems to be the reverse of times of growth and significant increase in quality of life. There is no doubt that as soon as the crisis is overcome and, among other issues, employment rates have recovered, much of this sentiment will begin to disappear. However, the feeling that Brussels is detached from citizens' control seems to be an aspect that still leaves an open agenda – although it should be noted that some measures have already been put in place to deal with this issue, such as the appointing of the leader of the party that won the majority vote in the European Parliament elections as the President of the European Commission.

To summarise, what I earlier described as a complex situation for Europe is far from being an essential crisis of the integration model, this is even truer in relation to the social welfare model, which in the context of the crisis has successfully, albeit with limitations, prevented a more disastrous social collapse than the one that came to pass. Far more serious consequences could have been a reality had the model not been in place.

The above does not disregard the need for global adjustments that accommodate new actors and reflect the changes that have taken place in the international system. For example, at the beginning of the industrial revolution, Asia's contribution to the global GDP was just over 50 per cent, and the expectation is that Asia will regain that level of participation again in the second half of this century. It would therefore be logical to assume its growing influence on global governance. Naturally, this would imply that traditional powers, including the EU, would need to share leadership and therefore adjust to these new circumstances, which are bound to reflect the new power structures on a global level.

The emergence of such a situation, however, by no means signals that the EU is on a path towards irrelevance, as euro-sceptics and fatalists claim. On the contrary, if the past is anything to go by, as a result of this complex situation – though not without some difficulties – the EU will find the stimulus to overcome its current problems, thus allowing it to project to the future reinvigorated while solidifying its integration and reaffirming its ability to act on the international scene. The latter requires established and new actors to ensure a more effective global governance, one that can confront the real, contemporaneous threats to its security, many of which are usually of a nature that is alien to the nations and the States.

Due to its mechanisms for participation, the EU seems to be well positioned in this context with respect to other international actors. However, with a declining demographic and a model designed to position its competitiveness on the global scene based on the value of knowledge, the

EU will require complementary relationships in order to regain its competitiveness, while maintaining its impetus in productive innovation on the one hand, and preserving the welfare state on the other. It would only seem natural that Latin America and the Caribbean, a region with which it historically shares an analogous world-view, a region with inverted and complementary demographics, an important supply of resources and a deficit in regard to productive innovation, would be a natural partner in this enterprise.

However, Latin America and the Caribbean also face pressing challenges of their own. Some believe that the economic downturn in the region is currently the main phenomenon. ECLAC projects a modest recovery for 2015, and last year growth was estimated to be a mere 1.1%, in other words, the lowest growth rate since 2009, the year of the international crisis. Even though the region has shown a great level of heterogeneity that will determine mixed national results, the continuing trends seem to point to a contraction in global demand within a rather short period of time, relatively lower prices for commodities, and a sustained appreciation of the dollar.

Under these circumstances, LAC faces the challenge of preventing setbacks to the important – but insufficient – social advances made over the last decade. Avoiding the regression of newly incorporated sectors into the regional middle classes and dealing with their demands seems to be one of the priorities. Also essential in this regard is the continuation of inclusive policies that make it possible to reduce the still widespread poverty.

Viewed in this way, growth, employment and fiscal mechanisms to finance social policies seem to be the priorities, as well as the preservation of the region's governability. The current economic climate has made evident the increased vulnerability of the region with regards to external demand, that is, its high dependency on commodities as an export product. It would seem necessary to diversify production and to incorporate processes that reduce high dependencies on exported raw materials and which would add value to the national product.

However, a process of this nature implies investments that are more or less long-term in a situation that prioritises recovering growth and reducing unemployment rates as much as possible. Therefore, the foreseeable tendency will privilege any investment that can be directed at projects designed to generate employment quickly – though evidently temporary solutions – such as public works on infrastructure that the region needs.

In addition, the diversification of production would appear to require a degree of training that is not always found within the region, thereby becoming another factor that limits possibilities.

However, beyond these circumstantial and occasional factors, there exist structural factors that could also impact upon the opportunities for diversification, and, by extension, hinder a sustainable production model designed to provide quality employment. Specifically, it should be noted that the productivity gains produced by the region have usually reflected innovations in technology, a result of the acquisition of capital goods that are normally imported. The region urgently requires policies that contribute to improving its productivity. This does not only involve generat-

ing innovative capabilities, but also improving education, making it more extensive and offering work-skill training programmes.

In this regard, the call for social policies for inclusion and equality transcends its nature as the moral and political obligation of any society to its citizens, and is instead a requirement to achieve economic growth and to foster sustainable models for development that would allow the countries that make up the region to become actors in, and reap the benefits of, a globalisation that otherwise threatens to marginalise the region. It is in this context that the cooperation and an open dialogue with the EU acquires a singular importance for Latin American and the Caribbean, as well as for the objectives of the bi-regional strategic partnership itself.

In effect, and notwithstanding the importance of external partners with whom Latin America and the Caribbean are associated, none of these partners incorporate dialogues or specific actions with regards to social cohesion with the depth of scope that that is realised in the relationship the region has with the EU and its members. This distinctive characteristic adds value to the bi-regional partnership, and warrants due consideration given that it homes in on the association's ultimate objective: the configuration of a sustainable socio-economic model that will guarantee the eradication of poverty and the development of both regions.

Furthermore, the strategic association does not – nor does it pretend to – limit the opportunities for the regions to strike up new relationships with third parties. On the contrary, the association must be fundamentally understood as a functional means to improve the ability of both regions to strengthen their relationship with the rest of the world. After all, this is where both regions' competitive capacities are put to the test.

In this respect, the shared interests of the regions in the association with new and established agents seems to be an unavoidable, as well as necessary, factor. However, the shared expectations must take into account the different dynamics of each situation. This particularly applies to cases, such as China for example, whose growth over the last 30 years has allowed it to reach the position it now enjoys while also fostering the future expectations that such dynamics promise.

China is precisely the case that best exemplifies the point that is developed here, considering that almost all aspects of its economy seem to be going through a re-balancing period that could lead the country down a path of more conventional development than it has followed so far. At least six aspects illustrate this statement:

1. The significant reduction of the current account's surplus since 2007 and in the deficit of its capital and financial accounts, highlight a trend towards maintaining the balance of payments on an even keel.
2. The increase in costs of labour means that China is now under greater pressure because of the competition from other emerging economies and Eastern European countries.

3. The recovery of industrialised economies does not signify a return to pre-crisis levels of demand for Chinese exports.⁴ This is due in part to the appreciation of China's currency.

4. Investment in assets is also declining, as a percentage of the GDP.

5. The expansion of the Chinese middle class has had a marked impact on consumption growth, making China the second-highest consumer market behind the United States.

6. China is now capable of production based on its own research and development, replacing its "copy-production" of recent years. There remains a sizeable gap that separates China from developed economies with respect to the adoption of technology and innovation, which makes it difficult for China to climb up the global value chains. Consequently, China will need to import technologies from industrialised countries in order to continue the modernisation of its economy.

As a result of these aspects, greater global balance can be anticipated. The slowdown of Chinese GDP should not be interpreted as a regressive tendency by any means. On the contrary, it appears to be a sign of a period of adjustment that could result in a Chinese economy that is strengthened even more when it reaches a more propitious position to project towards the future.

However, the effects of the relation between the EU and CELAC countries with China demands a serious evaluation of all these aspects and how they may be utilised to foster a genuine strategic partnership between the EU and CELAC.

In summary, even though the discouraging circumstances for the bi-regional association may seem quite pressing at first glance, closer study and analysis – including these few pages describe – reveals significant potential for using the shared vision of both regions to jointly address the necessities for sustainable development, welfare and employment.

The II EU-CELAC Summit (Brussels, 2015) offers the opportunity to capitalise on this potential, to which this paper seeks to contribute by promoting deeper reflection and dialogue vis-à-vis these important matters. Said Summit constitutes a unique opportunity to renew the political dialogue in order to project towards a strategic future outlook and a call to action that would make a genuine, strategic, robust and valued association a reality.

As a final word I would like to express, on behalf of the EU-LAC Foundation, my gratitude for

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⁴ MONAN, Zhang, "The Next Chinese Economy".

<https://www.project-syndicate.org/commentary/china-rebalancing -by-zhang-monan-2015-1>

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Hamburg, January, 2015.

Jorge Valdez

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EXECUTIVE SUMMARY

The power shifts in the international system, along with the balancing out of bi-regional relations and the transformations experienced by the European and Latin-American regionalisms are factors that demand a renovation of the relationship between the European Union and Latin America and the Caribbean. In particular, it seems necessary to identify the ways in which the bi-regional relationship may contribute to the emergence of shared global visions concerning the changes, abandoning the “North-South” dynamic inherent in its past for a more horizontal relationship between equal parties.

In a shifting world where different societal models struggle to assert themselves, the European Union, Latin America and the Caribbean could represent a distinctive vision combining the promise of social cohesion, democratic freedoms, the rule of law and the shared commitment with regionalism and an effective multilateralism, without which the emergence of a more representative and legitimate global governance will hardly come about. Moreover, there are also a shared economic interests and a wide arrangement of interdependencies, all of which demand a “development pact” between both regions and a more robust cooperation with regards to common interests and the global agenda.

These reasons point out the desirability and importance of the bi-regional relationship. Such a relationship, however, requires a bigger investment of political capital and a truly strategic management of the three dimensions through which this association operates, that is, political dialogue, cooperation, and the multilateral projection of both regions without hampering the original core purposes of the bi-regional association still valid: the diversification of foreign relations, improving mutual understanding of the social reality of the partner region, in particular to gain an insight into their political, economic and social choices.

Within this context, the goal of this document is to identify the factors that bring about change, which make a revision the relationship between the EU, Latin America and the Caribbean necessary, while facilitating the debate through the generation of suggestions to render a reinvigorated bi-regional relationship. Along the same lines, the Second EU-CELAC Summit of Heads of State and Government (Brussels 2015) constitutes an opportunity for the re-launching of a reinvigorated political dialogue to strengthen the relationship between regions and to bestow a meaningful strategic horizon capable of mobilizing the actors involved in the bi-regional relationship.

With these objectives in mind, the paper revolves around four themes wherein changes have been noted, and which incite a revision of the bi-regional relationship's role and its mechanisms for political dialogue and cooperation between the EU, CELAC and their respective Member States and regional organizations:

a) The status of bi-regional relations, their rationale, strategic horizon and the agendas, objectives, formats and methods to rebuild the bi-regional dialogue through the EU-CELAC Heads of States and Government Summits and other interaction processes between regions.

We approach the association emphasizing the shared values between both regions which, despite the seeming fatigue in the bi-regional consensus, could regain relevance and a sense of purpose through the establishment of common objectives in the democratization of global governance, to contribute to the convergence of economic interests and strategic alignments; and the transformation of cooperation as a functional tool for managing their interdependencies and reciprocal interests. In particular, it analyses the extent to which the constitution of CELAC as forum for the coordination of regional action of Latin American and Caribbean countries could be a reinforcing element of its internal cohesion, its condition as a "global player" and of its international projection, in line with the changes of the EU's role as an international actor after the Treaty of Lisbon.

b) The discomfort in democracy which for different reasons both regions are now facing and the challenges that such discomfort poses for the bi-regional relationship. The discomfort is not in relation to the notion of democracy in and of itself, but in relation to the mechanisms, reach and content of the concept of democracy. This determines the need for both regions to situate once again the agendas of social cohesion, citizenship strengthening and democracy at the core of their political dialogue.

c) The changes in the international system and the new geopolitical alignments in which both regions participate, with new alliances between emerging countries and such as the denominated "mega-regional" agreements emphasize the tensions that weigh over the multilateral order.

d) The new challenges for bi-regional cooperation, particularly those that arise from the global development governance agendas. These challenges call for a more strategic cooperation which, without disregard of past cooperation policies for low-income countries in Latin America and the Caribbean, would allow to strike a "pact for development". Such pact should transcend the inherent "North-South" dynamic of past relationships to allow a joint effort for achieving common and global sustainable development goals.

Based on these four themes, the paper suggests that, without undermining the cooperation derived from past Heads of State and Government Summits, the Second EU-CELAC Summit ought to be centred on a narrow agenda, with a strategic outlook that allows for the strengthening of the bi-regional relationship and its international projection.

INTRODUCTION. LOOKING TOWARD THE SECOND EU-CELAC SUMMIT (2015): BI-REGIONAL RELATIONS IN A SCENARIO OF BI-REGIONAL CHANGE

ELEMENTS OF CHANGE IN THE GLOBAL AND BI-REGIONAL STAGE

In recent years, the processes of change in the global power system, the balancing out of bi-regional relations and the transformations experienced in European and Latin American regionalism seem to suggest the need for renovating relations between EU and Latin America and the Caribbean. A sense of purpose is needed in order to provide a moving and convincing “narrative”. This, along with convincing results, will help to overcome the eventual “relationship fatigue” that appears to be taking its toll on both sides. This situation makes it necessary to identify a “strong” rationale that will permit bi-regional relations to remain desirable, and needed. It is no less important to make a substantial investment in political capital within this bi-regional dimension that will ultimately improve bilateral relations in specific countries. Issues such as commitment to democracy, rule of law, social cohesion and opting for a legitimate and effective multilateralism, have been at the heart of the bi-regional relationship since decades ago. It is hard to image a political dialogue between the regions that does not continue to place these issues at the core of their political dialogue, their inter-regional cooperation, and their international presence in a changing world. As this study argues, this does not mean that the bi-regional relationship does not need important changes to their strategic goals, scope, make up and methods. On the contrary, an adequate evaluation and management of these important aspects would strengthen the association between both regions in the three dimensions mentioned above: political dialogue, multilateral projection and cooperation.

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In the face of a “relational fatigue”, bi-regional relations need a new convincing and mobilising narrative

These relations, on the other hand, have changed their formal appearance since the I Summit between the EU and the Community of Latin American and Caribbean States (CELAC) hosted in Santiago de Chile in January 2013. CELAC was created in December 2011, thus the last Summit took the place of what would otherwise have been the VII EU-LAC Summit. This did not mean a departure from the format and content of relations beyond the adoption of the 2013 – 2015 Action Plan that highlights a series of priorities and actions to carry out – neither the rekindling of mutual interests. The acknowledgement of CELAC implies that for the first time the EU has a regional interlocutor, thus opening the way, conditions given, for a broader convergence of positions in Latin America and the Caribbean; more precisely defining their interests

towards the EU and other external actors. This will hopefully reinforce internal cohesion, and Latin America and the Caribbean will be able to position themselves as “global actors”, just as the EU did following the Treaty of Lisbon.

The process of dialogue and bi-regional cooperation that will lead up to the II EU-CELAC Summit, to be held in Brussels in 2015, will take place in the midst of significant changes in both regions, in their inter-regional relations, and on the international scene. These will be described in due course. In particular, between 2013 and 2016, new elements emerge on the global stage that consequently call for a renewal of efforts to review the future of the bi-regional relationship. As an introduction, the following can be mentioned:

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The normalisation of democratic elections coincides with a growing discomfort in democracy, which is directly related to the quality of governance and the nature of economic and social changes

a) In contrast to the crisis in the EU, the majority of Latin American and the Caribbean has maintained notably higher levels of social and economic growth, which have led to a sharp decline in levels of poverty and inequality. However, a slowdown in economic growth has been observed since 2013; a 2.2% growth forecast from the original figures estimated by the UN Economic Commission for Latin America and the Caribbean (ECLAC) was reduced to a mere 1.1% — of this, 0.7% is the forecast for South America—, figuring as the lowest growth rate since 2009, with a forecast of 2.2% growth for 2015. This figure sets a “new normal” well behind last years’ original figures, in an international context more volatile and uncertain: there are risks that stagnation and deflation in the EU will affect the global economy. Moreover, the end of economic stimulus, and changes in the United States’ economic policy, along with difficulties within the G20 to secure effective global macroeconomic coordination, are all additional threats to the overall economic health of the EU. Even if some countries maintain significant growth rates, they will be at a lower level than that of the “export bonanza” years, a cycle now over. This makes the launching of reforms and development policies a hardly needed political imperative. Additionally, there are countries, in particular in the Caribbean, in a fragile and vulnerable economic situation.

b) Between 2013 and 2015, more than half of Latin American countries have held elections, a clear sign that democratic processes are becoming the norm in the region. Elections have also been held in the EU, including the 2014 European Parliament elections. Whether there is continuity in political power or not, the results of these elections will have a great impact on economic and social policies, as well as on regionalist strategies and the foreign affairs of Latin America and the Caribbean, and point towards significant readjustments in the framework of the EU. But the most relevant issue is that this “normal” democratic process coexists with a growing “discomfort in democracy”, which is closely related to the quality of governance and social and economic changes experienced in both regions. In Latin American and Caribbean countries, more political rights have been exercised by the newly emerging middle classes and its concomitant growth in demands and aspirations for a more active exercise of citizenship. In the EU, middle classes are facing growing uncertainty amid the social and economic crisis surfacing in the area. In this regard, there are further demands and aspirations for change considering that increasing unemployment

and inequality are leading to tensions in social cohesion, something that is becoming more and more evident in the rise of populism, xenophobia and radical nationalism. As will be discussed, questions arise for the current social contract and how these point to the need for a return to placing citizenship, social cohesion and inclusive societies at the forefront of the bi-regional agenda.

c) The beginning of negotiations of the so-called trade “mega-partnerships”, such as the Trans-Pacific Partnership (TPP), and the Trans-Atlantic Trade and Investment Partnership (TTIP), in addition to the partial agreements reached at the World Trade Organisation (WTO), have painted a picture of uncertainty with regard to future shifts in the global geopolitical and geo-economic system. These initiatives, on the one hand, are trying to consolidate a demanding “WTO plus” agenda. This is true not only for the WTO talks, but also for the other agreements that are in the process of negotiation. On the other hand, all these agreements reaffirm the dilemmas that the global economy commonly faces, which, at the time, also arose during the negotiations for the Association Agreements. All the previous points mentioned demand strategic management on the part of all actors involved, so that all questions may be addressed and new issues such as potential costs and benefits may also be addressed.⁵ These mega-regional initiatives in particular, have led to questioning the inter-regional framework in the EU-MERCOSUR negotiations. Also, this has led to calls for revisions of some of the Association Agreements already signed. This highlights how rules have changed in the bi-regional economics game.⁶ If to this situation we also add, as will be indicated in due course, the reduction of cooperation for development in the EU, and the political dialogue languishes, it seems logical that questions and doubts should arise in relation to the strategic sense and significance of the bi-regional relationship.

d) In the multilateral context, in 2015 it will be necessary to reach new agreements in relation to global development goals in the post-2015 era. Progress must be made in reaching a new agreement on climate change, as per the agreement decided in the United Nations Conference on Climate Change (Doha, Qatar in 2012), which will come into effect in 2020.⁷ In both regions, and in external actors such as the US, the need for open debate has been established in order to address the world drug problem, where the prohibitionist stance of previous decades has come into question. These issues will be the focus of the multilateral agenda in 2015 and 2016, where both regions must provide answers.⁸

⁵ Carrión, G. (2014), *El Acuerdo de Asociación Comercial y de Inversiones entre la Unión Europea y los Estados Unidos: Retos y oportunidades para las relaciones birregionales entre la UE y América Latina/Caribe*. Managua, FIDEG/Nitlapán/Fundación EU-LAC.

⁶ See Sanahuja, J. A. et al. (2013), “Un sistema internacional en cambio: los retos de la gobernanza global”, en G. Fernández de Soto y P. Pérez Herrero (coords.), *América Latina: sociedad, economía y seguridad en un mundo global*. Madrid: Marcial Pons/IELAT/CAF-Banco de Desarrollo de América Latina, pp. 31-35.

⁷ See the paper by G. Edwards y J. Timmons Roberts, *La UE y América Latina y el Caribe: ¿Preparando el camino para un nuevo acuerdo sobre el cambio climático en 2015?*. Hamburgo, Fundación EU-LAC, 2013.

⁸ 2015 Climate Summit (COP21, Paris, 30 November-11 to December 2015); culmination of works by OWG on post-MDG goals (New York, July-September 2014) and inter-government negotiation for the upcoming UNGA session in September 2015; and Special Session of the General Assembly (UNGASS 2016) on drug issues (New York, 2016).

e) Last but not least, the EU has gone through an important institutional restructuring because of the parliamentary elections in May 2014, and the instalment of the new Juncker Commission following the end of the Durão Barroso's second term as Commissioner (2010-2014) on the 31st of October 2014. This will bring about a new political cycle in every aspect. In particular, the relationship between the EU and Latin America and the Caribbean will now take centre stage. The EU's strategy towards Latin America, in particular, has maintained the inter-regional matrix that is focused on establishing a network of association agreements. It is clear that there have been some signs of weariness and that a new long-term vision can no longer be projected. On a different note, the New Multi-Annual Financial Plan 2014-2020, which accounts for resources in the EU Global Europe financial plan, was introduced in December 2013. This presupposes a new position in foreign action, which includes policies for development, for Latin American and the Caribbean.⁹ There will also be changes in the access of Latin American and Caribbean exports in the European market due to the modifications in the Generalised System of Preferences (GSP) and the association agreements and/or economic partnerships coming into effect.

THE PURPOSE OF THIS DOCUMENT FOR REFLEXION

The purpose of this document is to describe the various ways in which the following elements could affect bi-regional relations, and its mechanisms for dialogue and cooperation: to take advantage of opportunities to reduce risk that could lead to changes in interests and expectations of participants; to review the values that sustain relations and the significance of these on the global stage and in each region; to address how these values can lead to strategic discussion on changes that affect both sides in bi-regional relations. In short, all of these elements impose the need for joint analysis and redefinition of the agenda for dialogue and cooperation. Moreover, there is a need to identify existing common interests, shared visions and joint positions. In the case that none of these exist, there could at least be a means of identifying obstacles and possible ways of facing them in order to advance in the development of a shared vision and strategy moving forward.

The main purpose of this document is to identify the factors for change that will demand a renovation of the relations between the EU and Latin America and the Caribbean. Also, how these will contribute to facilitating proposals for the aforementioned renovation. There has been a broad consultation with various actors in the bi-regional setting, such as: government and non-government institutions, private sectors, scholars, and civil society. These actors are meant to link the process of dialogue between government agencies and civil society in order to generate spaces for debate on the main challenges that could lead to a strategic association.

⁹ See Incremento del impacto de la política de desarrollo de la UE: Programa para el Cambio. Brussels, European Commission COM(2011)637 final, 13 Octubre 2011. For a more detailed analysis see, Sanahuja, J. A. (2013), "América Latina en la cambiante política de desarrollo de la Unión Europea", en A. Bonilla y M. S. Ortíz (comps.), De Madrid a Santiago: Retos y Oportunidades. Balances y perspectivas de las relaciones entre la Unión Europea y América Latina y el Caribe. San José, FLACSO – SEGIB, pp. 303-322; and Sanahuja, J. A. (2014), "El desarrollo global y el ascenso de los países emergentes: retos para la Unión Europea", Revista CIDOB de Afers Internacionals n° 106-107, December.

With these goals, the analysis of all issues has been organised into four large areas wherein changes are recorded and will require a revision in the role that bi-regional relations and mechanisms for political dialogue could play in EU-CELAC cooperation, and their respective member States and regional organisms:

a) By means of bi-regional summits, the aim is to: determine the status of bi-regional relations, their rationale, strategic horizon, agendas, goals, formats and methodologies for redirecting dialogue and interaction processes. In this regard, it is intended to deal with issues on changes in the bi-regional dialogue that are the consequence of the Treaty Lisbon, as well as the emergence of CELAC as an instance of regional consultation, convergence and political inter-dialogue of Latin America and the Caribbean.

b) The discomfort in democracy that – for different reasons – both regions are experiencing; a discomfort expressed in the data provided by Latinbarometer and Eurostat, as explained later on. It does not question the form of government, but rather the governments' capacity to answer to social demands and the claims for an effective citizenship both in the EU as well as in Latin America and the Caribbean. In addition, analysis is needed to determine the effects of public insecurity in the latter region and how this "discomfort" can become a strain on bi-regional relations.

c) Changes on the global stage and new geopolitical alignments in which both regions part, in particular Latin America's approach to BRICS countries and the emergence of "mega-regional" negotiations or trade "mega-agreements" involving both regions, or extra-regional actors. There is a need to focus on how these changes will challenge the current multilateral trade system, regionalism and inter-regionalism between the EU, Latin America and the Caribbean. Specifically, it is imperative to consider impact upon agreements of association that were signed and are in effect, and those agreements in discussion that have been the main concern for bi-regional relations over the last two decades.

d) It is also necessary to consider the remaining items in the bi-regional cooperation agenda. In particular, the development of global governance in terms of climate change and development goals post-MDG. As was stated before, these items will be brought to the fore in the multilateral agenda for 2015.

1 THE MEANING AND SCOPE OF BI-REGIONAL RELATIONS IN A CHANGING WORLD

FOUR DECADES OF INSTITUTIONALISED RELATIONS, A STRATEGIC BI-REGIONAL ASSOCIATION: TAKING STOCK

It has been 30 years since the first San José dialogue was organized between the then European Community, Central America and the Latin American countries that made up the Grupos de Contadora y de Apoyo (Contadora Support Group).¹⁰ Since then, bi-regional relations between the European Union (EU) and Latin America and the Caribbean have agreed on their objectives towards peace, democracy, the presence of human rights and the rule of law, sustainable development, social cohesion, the fight against poverty and the strengthening of multilateralism, in line with the shared values and interests between the regions. Both regions have also been able to adapt to change. The 80s was the time of “peace and democracy”; the 90s the time for “the consolidation of democracy” and a push for “regional integration”. In the 90s, new economic interests associated with the increase in trade and investment in the post-cold war period was incorporated. During this period, the new Latin American regionalism and the Common Foreign and Security Policy (CFSP) of the EU allowed for the creation of an inter-regional strategy based on three tenets: high-level political dialogue through bi-regional summits that began in 1999, a broader and more diversified development cooperation, and, above all, proposals for the creation of a network that featured bilateral or inter-regional Association Agreements that spanned the entire Latin America and the Caribbean region.

The results of this strategy have been notable. Both regions maintain a healthy political dialogue without equal in relation to the other regions, which in turn diversifies its foreign affairs, contributes to the reconciliation of their position vis-à-vis international fora, and consolidates

¹⁰ Just as 40 years of political dialogue if we consider the First Inter-parliamentary meeting between the European Parliament and ParLatino as the beginning of the political dialogue between both regions.

THE BI-REGIONAL RELATION: BALANCE AND CHANGE OF CYCLE

Latin America and the Caribbean maintain on a bi-regional level a relation that is unique among the regions. Both regions have achieved notable results in terms of political dialogue, development cooperation and a good number of Association Agreements based on an inter-regional model not yet completed, in the light of pending agreements.

Nevertheless, this cycle has expired. Broadly speaking, its long-term objectives have been accomplished and they no longer seem to serve a purpose, a “narrative” and a mobilising result-based perspective with strategic scope for the relationship EU-Latin America and the Caribbean.

the role of both regions as global actors. There is an on-going bi-regional dialogue among civil society, academic institutions and business sectors, the likes of which does not exist in any other inter-regional association, and a parliamentary dialogue institutionalised by the EuroLat Assembly, founded in 2006. Association Agreements were signed by the EU and Mexico (2000), Chile (2002) and Central America (2010), as well as various free trade agreements signed with Peru and Colombia (2010). In past years, negotiations for the EU-Mercosur Agreement have resumed; the tenets of an agreement between the EU and Ecuador are being discussed since 2013; and talks between the EU and Cuba began in early 2014.

There is a broad Economic Partnership Agreement in place with the 13 countries that constitute Carifórum. With regard to development cooperation, the EU and its member States contribute more than 60% to the Official Development Aid (ODA) distributed in Latin America – institutions in the EU are the third largest contributor at 12% of the overall total. Some countries also have advanced agreements in place for scientific-technological cooperation.

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Both regions shall seek to readjust to the power change process of the international system

This cycle is far from completion, given that there are agreements awaiting ratification or implementation, negotiations in place for new Agreements, and the adjustments that are now needed in the agreements that were signed in the early stages of the cycle – such as the EU-Mexico Agreement –, in order to, firstly, include new issues that have appeared in agendas and in subsequent agreements, and secondly, to account for eventual challenges, such as the transatlantic negotiations between the EU and the United States.

INTER-REGIONALISM AND ASSOCIATION AGREEMENTS: END OF AN ERA AND NEW STRATEGIC HORIZON

Nevertheless, this cycle appears to be exhausted: its long-term goals have been mostly accomplished and its strategic outlook has been brought to fruition, whether or not the remaining agreements are signed. Without belittling the importance of such agreements, they no longer

seems to carry a sense of purpose, a “narrative”, or a mobilising perspective on results with a strategic scope for relations between the EU and Latin America and the Caribbean. The negotiation process of these Association Agreements, in contrast, has brought about a hard-line readjustment of the perceptions and expectations of the nature of the interests of each party. Perhaps for this reason, bi-regional relations, and in particular the summits, no longer carry the same import, or seem as relevant and credible as in the past, symptomatic of agendas that are diluted by the sheer breadth of issues it tries to address, and the failing interest of leaders, the economic, political and social players, public opinion, the perceived widespread “fatigue”, and doubts over the relevance and importance of holding the summits.

A CONTEXT OF INTERNATIONAL TRANSFORMATIONS: TWO CHANGING REGIONS¹¹

Both the EU and Latin America and the Caribbean find themselves immersed in times of major transformation in the sources, nature and means of distributing power and wealth on the global stage, from East to West, from North to South, from public authorities to markets and private actors that must be readjusted. The South-South axis is growing in influence, particularly the Trans-Pacific axis in relation to the traditional primacy of the Trans-Atlantic axis. At the same time, there

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It is requested a more horizontal and balanced relationship that addresses existent asymmetries

appears to be a languishing interest on both sides due to the fact that there are more attractive economic opportunities in the Asia-Pacific region, an alignment with a world because it is perceived as multi-polar, or because of the geopolitical imperatives that emerge for both regions in other geographic locations.

The decreasing relevance of the Trans-Atlantic axis situates the EU in particular in an uncertain position: both Latin America and the United States could potentially integrate into the new Trans-Pacific axis instead of fostering their Trans-Atlantic relations with the EU, excluding the latter from the first of these axes, and potentially weakening its global position.¹²

Additionally, there is clear evidence that Latin America and the Caribbean are in a process of upward mobility and internal differentiation, a situation which affects economic, social and political spheres, and which have given place to various models for social and economic development as well as different foreign policy models. The evolution and difficulties in integration schemes such as Mercosur or the Andean Community of Nations and the formation of the Union of South American Nations (Unasur), the Bolivarian Alliance of the Americas–People’s Trade Agreement (ALBA-TCP),

¹¹ These issues have already been dealt with in greater detail in the previously cited document, *Hacia un nuevo marco de relaciones entre la Unión Europea y América Latina y el Caribe*, elaborated by J. A. Sanahuja for the EU-LAC Foundation, Hamburg, December, 2012.

¹² Grabendorff, W. (2014), “Realidad y ficción en las relaciones entre la CELAC y la Unión Europea”, en A. Bonilla y G. Jaramillo, *La CELAC en el escenario contemporáneo de América Latina y el Caribe*, San José: FLACSO /CAF, pp. 175-192.

the Pacific Alliance and the aforementioned CELAC, all reveal substantial changes in the regions' strategies of international integration, especially concerning regionalism, approaches to agreements, and cooperation and regional integration.

For its part, the EU has been through one of the most difficult periods in its history when it faced the recent global economic and financial crisis. This notwithstanding, and regardless of the institutional changes brought about by the Treaty of Lisbon, the the EU seems to be following a fragmented array of foreign policies, driven more by the national chancelleries than by the common EU institutions. A Union of 28 is not only more difficult to coordinate, but also presents greater diversity in its interests and values. Beyond institutional changes, there is a redefinition of the international role the EU plays, a role that seems to be diminishing in influence – even though this diminishment may be self-inflicted – because of a deterioration of its international identity as “normative power” and a model for economic, social and political integration and social cohesion.

Such processes attenuate – though they do not eliminate completely – asymmetric traditions between the two regions. Even though Latin American and the Caribbean continue to be developing regions, they call for a more balanced relationship and new associations that are more horizontal, particularly in cooperation for development and its traditional North-South logic.

CELAC: REGIONAL COORDINATION AND EXTERNAL PROJECTION FOR THE LATIN AMERICAN AND CARIBBEAN REGION

As has been previously stated, the emergence of CELAC proposes a new element in the bi-regional dynamic that could positively contribute to the renewal of bi-regional relations.¹³ CELAC is another manifestation of the “Summit Diplomacy”, with a strong presidential presence, which the region is involved in. The attendance of 30 Heads of State out of the 33 Member States proves the political support and momentum that this new regional initiative has received, which is in stark contrast with the decreasing interest in bi-regional summits with the EU or the Iberoamerican summits, which can be seen in the decreased number of heads of states that attend these events, and, can also be seen in a noticeable “mission crisis” and “crisis of identity” with regards to the validity and scope that have enabled a large reform of their process.¹⁴

The relevance of CELAC lies, in the first place, in its regional outreach as an entity that can bring together a group of regions despite the plurality of visions and public, economic and social strategies co-existing at its core – hence its motto, “unity in diversity”, which demonstrated what it means in the case of Cuba, who, by virtue of its association with CELAC, announces its return

¹³ CELAC is a direct result of the process that begins in December, 2008 with the Summit for Unity of Heads of State of Latin America and the Caribbean (CALC), and the Río Group. This leads to the appearance of the “Community of Latin American and Caribbean States” (CELAC), created in Caracas, December 2011. Since then, CELAC has hosted the I Summit in Santiago, Chile (January, 2013) and the II Summit in La Habana (January, 2014).

¹⁴ Maihold, Gunther (2014), “En busca de sentido para el proceso iberoamericano: entre el ocaso y la reforma”, Nueva Sociedad n° 250, march-april, pp. 113-125.

to regional forums, and fosters a positive strategy for cooperation with the island in the face of the reform process; this is a clear demonstration of the region's political autonomy where third parties are concerned. CELAC does not intend to substitute existing sub-regional groups, and based on its "inclusiveness" principle, it seeks, rather, to shape a common framework to develop a functional and thematic cooperation through those groups or with other regions. Regional dynamics are improved by the Caribbean's participation, which also offers a space to meet Latin America.

Considering that the Caribbean already had presence in the Rio Group, efforts have been made to strengthen its position with the presence of a representative of the region in the troika, which, as will be pointed out in due course, will support CELAC's pro tempore Presidency and will guarantee the continuation of its actions and follow-ups to the agreements and mandates adopted in the Summits and in specialised meetings.¹⁵ Lastly, CELAC establishes firm ties between Mexico and Latin America, a relationship that could have been weakened as a consequence of sub-continental dynamics that grouped together the Central American isthmus on one side, and South American on the other.

In second place, CELAC sets itself as a forum for dialogue and consensus on non-institutionalised policies, of a scope eminently political, and which, in stark contrast to the OAS or Unasur, does not have either a constitutive treaty nor does it constitute an international organisation. Therefore, CELAC has a dual role: ad intra, or within the region, and ad extra, or as a part of the global agenda facing other actors such as international organisations, its own region and the EU. Perhaps the most relevant feature of CELAC is that it modifies expectations and incentives for the lining up of positions and, in its own case, collective action of the region within the "unionist" identity framework and the matrixes of its members' foreign policies. For this reason, CELAC may direct and lessen the fractures that have been gestating between North and South America, as well as those between open regionalism of the "Pacific Arch" and "post-liberal" regionalism.

Within this initial internal dynamic, CELAC seeks to promote cooperation in a multidimensional agenda that covers several economic, social and environmental levels, science and technology and the management of the risk of disasters. CELAC's agenda has expanded to a point where it now encompasses dialogues among 30 sectors and 21 thematic axes, as identified in the Costa Rica Action Plan for the CELAC Presidency in 2014,¹⁶ even though in most aspects the focus is on defining consensual agendas rather than defined policies or initiatives.

Ad intra CELAC acts as a frame of reference for dialogue whereby collective feedback provides insight into global shifts that may alleviate conflict in specific areas. Moreover, it is an opportu-

¹⁵ Llenderozas, E. (2012). "Política exterior latinoamericana y la Comunidad de Estados Latinoamericanos y Caribeños". Austral: Revista Brasileira de Estratégia e Relações Internacionais vol. 2, n° 4, pp. 183-205 .

¹⁶ Within these work areas, the Presidency has defined a number of priorities, such as the definition of common positions with respect to the global post-2015 agenda, climate change, South-South cooperation, nuclear disarmament, food security and family agriculture.

nity to soften more radical positions on particular issues. Beyond this, CELAC could potentially prove to be a mechanism in which resources for the advancement of development, peace, stability, politics and democracy may be procured.¹⁷ It should also be pointed out that CELAC could take on the responsibility of crisis management where the protection of democracy is pivotal when facing the risk of political upheaval. This intervention is by no means intended to replace the institutional powers of the OAS or other officially sanctioned regional bodies like Mercosur or Unasur. However, it is through the “Special Declaration on the Defense of Democracy” in 2011, that CELAC provided a democratic clause that includes a mechanism for consultation. In addition, CELAC now has an array of options for intervention that range from mediation up to the imposition of sanctions. Given the heterogeneity of the Latin American region, its inherent limitations and inter-government design, it is certain that there will not always be a clear-cut consensus. In any event, any consensus would most certainly be based on the lowest common denominator. Nevertheless, CELAC is equipped with a system of emergency consultation and a procedure for tacit approval that has proven to be quick and efficient.

Regarding CELAC’s external dimension, particular importance is placed on the harmonisation of foreign policy, with a view towards strengthening the region’s presence, voice and influence in international organisations and multilateral forums. CELAC plans to achieve this through pronouncements and adopting a stance in relation to the important issues in the global agenda and the defence of what is termed “Latin American and Caribbean interests”. In this regard – and as is explicitly recognised by the Declaration of Caracas and in other texts approved in the Summit – CELAC takes up the historical *acquis* of the Rio Group to deploy it with a more considerable political profile, and the legacy of Latin America participation in multilateral organisations. A telling fact is that CELAC is expressly appointed as the regional interlocutor in the EU and Latin American and the Caribbean relations, in both the aforementioned bi-regional Summits and in the dialogue between EU-Rio Group. Another telling fact is that through its Presidency and the troika, CELAC began in 2012 to hold regular political dialogues with energetic actors such as India, China, South Korea, Turkey, Japan, the Gulf Cooperation Council and Russia.

Within this external dimension, however, there seems to be less willingness and less capacity to reach a consensus given the diversity of strategies for international integration of the countries and regional subgroups in Latin America and the Caribbean. Even though CELAC abides by a “pluralistic multilateralism” that channels a will for cooperation and autonomy to treat the regional agenda, the association (CELAC) continues to prime the individual action and the bilateral option. In the case of the EU, the interregional frame responds mainly to the Union’s preference for inter-regionalism and regional dialogues.¹⁸

¹⁷ Rojas Aravena, F. (2012). Escenarios globales inciertos: los desafíos de la CELAC. VIII Informe del Secretario General de FLACSO. San José, FLACSO.

¹⁸ Sanahuja, J.A. (2014). “Enfoques diferenciados y marcos comunes en el regionalismo latinoamericano: alcance y perspectivas de UNASUR y CELAC”, *Pensamiento Propio* n° 39, January-June. pp. 75-108, y Jaramillo, G. (2014). “La integración en las políticas exteriores latinoamericanas: apuntes para el análisis”, en A. Bonilla y G. Jaramillo, *La CELAC en el escenario contemporáneo de América Latina y el Caribe*, San José: FLACSO /CAF, pp. 8-26.

CELAC AND BI-REGIONAL RELATIONS

The emergence of CELAC may augur pertinent changes in the relationship with the EU, contingent on how far the regional cooperation process reaches in its endeavour to forge agreements, align positions, and factoring in each members foreign policy in a common framework, thus cementing cohesion in extending its influence as a region. Its international formation and its ability to bestow upon Latin America and the Caribbean roles as international agents will depend, in turn, on CELAC's capacity, as an autonomous entity and through its relationship with the EU, to influence an international system in flux. This link will no doubt validate the existing relationship that continues to be relevant for both sides. The projection created by bi-regional efforts will offset the EU's tendency to gravitate towards the United States, the Mediterranean or the East of Europe on the one hand, and offset Latin America's tendency to gravitate towards Asia, the Pacific and the United States, on the other.

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The introduction of CELAC serves to strengthen the dialogue of Latin America and the Caribbean with the EU and other actors

Even though the EU has always aspired to have a regional counterpart, it must accept that the nature of CELAC is very different, and are therefore asymmetrical actors. In the meantime, CELAC is more of a process than an outcome. This forum originated as an "expanded Rio Group" and is thus a mechanism for dialogue and consensual foreign policies wherever agreement can exist, and whose contribution to the regional dialogue must be maximised. CELAC may also contribute to the regional debate with the Caribbean and the EU beyond the current Economic Partnership Agreement (EPA) frame, so long as the EU shifts its position on the region so that the Caribbean can be fully incorporated.

There are clear incentives for CELAC to grow its condition as a major player through its own process and through interaction with external actors, such as the EU. This interaction would increase the influence to both sides in the shifting structures within the international system, as rule-makers of said system at a time when interdependencies and global risks are on the rise, when the material capacities are being redistributed and laws, institutions and strategic alignments are being redefined. This is why a methodical political dialogue between the EU and CELAC, conceived as a space for socialisation and mutual learning, is so relevant. This dialogue must contribute to shaping a shared global vision; it should provide a more systematic process for consultation and joint tracking and evaluation of participation in multilateral forums and agendas of common interest.

A BI-REGIONAL RELATION IN SEARCH OF RELEVANCE AND MEANING

The political dialogue and the bi-regional relation should continue to serve, in the first place, some of the foundational premises: the diversification of international relations, the instilment of an increased awareness of each party's reality, particularly its political, economic and social options, whilst taking a stand against stereotypes and attitudes still present in political and social elite groups, as well as in public opinion and civil society in both regions. This dialogue

must also contribute to the constant evaluation of the importance of the relation and to correctly identify aspects in which there exist true interdependency and shared responsibilities in issues that go beyond the purely bi-regional agenda.

UNDERLYING REASONS FOR THE BI-REGIONAL RELATION

The bi-regional relation should continue to observe some of its foundational premises: to diversify international relations and raise awareness of the reality of each party, to confront national stereotypes and misunderstandings, and to enable the inclusion of shared agendas that stem from interdependencies and common responsibilities.

It is also necessary to redefine the foundations and the functions of the strategic association based on four central reasons upon which the potential and obstacles for the association lie: identity and shared values, global governance, economic interests and calls for cooperation. If the political capital necessary is invested in the bi-regional relationship, these reasons may be enough to bring about a new cycle of bi-regional relations.

The changes that have take place in the international scene and in both regions thus pose new questions. In the face of these changes, how can bi-regional relations contribute to the emergence of shared global perspectives? Can these relations be entered to on equal terms, a relationship that progresses beyond the “North-South” vision that has been a prevailing feature in the past, both on the part of the EU – who, paternalistically and sometimes arrogantly, approached the region convinced of the integrity of their model, as well as on the part of Latin America and the Caribbean, who would take up a defensive stance and a subaltern position, and as was pointed out, at times, with a degree of resentment.

In this new context, it becomes necessary to raise and discuss again the foundations, rationale and functions of the strategic association between the EU and Latin America and the Caribbean. In order to address these issues, on which the existence, relevance and scope of the relation depend, four key reasons or logical arguments could be raised, which highlight the continued importance of the bi-regional relations, as well as the obstacles and contradictions that encumber its participants when it comes to meeting the demands and needs of the public and private agents, and the citizens of both regions.¹⁹ These four reasons or logical explanations – the identity and values reason; cosmopolitan reason; market and economic interest; and the functional and cooperation reason – could provide a foundation and “narrative” that is invigorated and with a long-term projection, or not, depending on how relevant the reasons are, and above all, depending on the political capital available for an investment to drive the bi-regional relationship forward. In order to evaluate its potential and risks, the reason will be briefly analysed below:

¹⁹ This section summarises the main arguments for an earlier work of the EU-LAC Foundation in the wake of the I EU-CELAC Summit. See, *Hacia un nuevo marco de relaciones entre la Unión Europea y América Latina y el Caribe*, EU-LAC Foundation, Hamburg, December, 2012.

AN ASSOCIATION BASED ON SHARED VALUES ...

Within an international context with a growing “post-Western” profile, and which integrates emerging countries with different value systems, the definition as “Western” of the EU and of Latin America and the Caribbean, has been a singular characteristic of their identity and its political practice without undermining the pluri-national nature of some of these countries and the unique contribution of the world-view of some of the native people. Historically, both regions share many of the principles and premises of “liberal internationalism”,²⁰ to which European and Latin American values may be added, such as the support for regional integration and the aspirations of building socially cohesive and inclusive societies. These common values are a source of legitimacy and influence for two regions that aspire to be “normative powers” in the midst of the redefinition of the rules that will shape the international system.

... IN WHICH BI-REGIONAL UNDERSTANDINGS ARE IN QUESTION

To build a strategic bi-regional association based on common values requires more than just a generic invocation. Precisely because of their success and dissemination on a global scale, many of these values are no longer exclusive to the EU – Latin American and the Caribbean relationship, and they do not turn the relationship into a “natural partnership”. Perhaps the “community of values” has been overcome by history. Significantly, many of these values are a matter of debate between and within the regions – in many instances, Latin America and the Caribbean have conflicting interpretations of these values, and in matters such as the scope and content of democracy, public interest in the markets or the reach and significance of social cohesion and old consensus, are broadly questioned, both in the EU, and in Latin America and the Caribbean. Due to this, contradiction and conflicts regarding interests and values emerge, which in turn affects the identity of the regions and their national and international credibility as agents. It is significant that the agreements – and disagreements – in relation to these values could augur a situation where agents different regions and external agents could align together, without, however, positioning the regions against each other.

One issue in particular that cannot be disregarded is the deterioration of the EU as a “normative power”, which, given the upward mobility of Latin America, should seek a relationship on equal terms with the latter. Not all countries are normative actors; therefore these countries do not project their values in the same way in their foreign policy nor do they understand that democracy and economic liberalism are values to be projected externally. In a context where BRICS projects an image of geopolitical strength, in which the leaders of this group visit the regions with financial contribution and the promise of investment, demonstrating powerful leadership that brings into question the values that have substantiated the bi-regional relationship, perhaps the question is: what can, or what could, the EU and Latin American and the Caribbean offer to relaunch their bi-regional relationship?

²⁰ This concept refers to democratic principles, human rights and the rule of law which are the cornerstones of the any political system and the social contract; the defense of open economies and the commitment to multilateralism and the peaceful resolution of disputes in international relations.

VALUES, DELIBERATION AND SHARED GLOBAL VISIONS

To build a strategic bi-regional association based on common values requires more than just a generic invocation. In many aspects, these values are questioned and often force each party to confront its own problems and contradictions. Even though each party is situated in a Western frame, The “West” is a dynamic concept and its meaning is constantly in flux, and it is not the exclusive domain of each of the parties nor do they vindicate asymmetrical relationships.

It is a heritage that needs to be (re)constructed by both parties through a deliberation process that leads to a shared global vision, as a discursive ethics of democracy and liberties and human dignity, which subsumes political liberties and economic, social and cultural rights that are indivisible in nature.

Such a debate and dialogue ought to prevent a situation where each region engages in a monological discourse of self-justification, and should enable a situation where both parties, from a perspective of a shared global vision, contributes to the forging of a post-Western universalism.

On the other hand, the defence of Western values would force the bi-regional association, in its position as “rule maker” to openly take side in the conflict between models that will shape a 21st century that is already being defined as “Asian”, “Chinese”, “post-Western” – whichever term that is most appropriate to the context, visions, aspirations or fears of the reader... – as well as in its internal struggle to state those values. Often, calling forth those values in the bi-regional discourse forces both regions to confront their own problems and contradictions. The relationship between economic liberalism and democracy, for example, is very complex, and largely contradictory in a globalised context that lacks adequate regulation and in a global crisis that has substantially eroded the influential Western model.²¹ Sometimes, the mutual understanding of western values has been conditioned by the EU’s tendency to see Latin America as a region that reflects its own model, which has understandably provoked a rejection of a unilateral and patronising definition of said values, or the critical view that the “South” identifies the “North” as “Western”, and in particular, with a decaying capitalism before individual rights and freedoms and social cohesion. However, “Western” is a dynamic concept whose meaning is in constant flux, in fact it is its deliberation and communication through shared visions that assigns meaning to the concept. For this reason, it is not the exclusive domain of either party or justification of an asymmetrical relation between parties. Rather, it should be viewed as the legacy of both regions, and as a manifestation of their shared commitment to an ethical discourse of democracy, freedom and human dignity, based as much in political freedom as in the demands of a broad range of economic, social and cultural rights that are indivisible in nature.

This legacy requires constant dialogue, perhaps one that focuses less on agreements, and more on debates, authorities and mechanisms to generate confidence and foster consensus

²¹ See the story from The Economist (2014), “What’s gone wrong with Democracy?” 1 March.

on socialisation and learning that will enable the shared reconstruction of these values as a discursive ethic, and, as will be pointed out, an indicator of the bi-regional commitment to democracy and social inclusion. This dialogue should not be viewed only as a means to simply export the aforementioned values to third parties. Rather, it should avoid a situation where the EU and Latin American lock themselves in monologic discourses designed for self-justification; instead the dialogue should enable a situation where both regions, based on their experience and unique values, contribute to forge a new post-Western universalism upon which an efficient and legitimate governance of globalisation could be built.

AN ASSOCIATION FOR IMPROVING GLOBAL GOVERNANCE: POSSIBILITIES AND OBSTACLES

Relationships, however, are not solely based on values, but also on interests. Through a bi-regional relationship, both sides also seek to meet the demands of globalisation in terms of global governance, the provision of international public goods and global risk management – for example, climate change, and risks that threaten economic development and both regions’ aspirations for a more inclusive social model.

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The governance of globalisation, risk management and the provision of public goods are issues that require the joint efforts of both regions, for they affect the social contract of each country

This is relevant, among other reasons, because economic growth, the dynamics of employment and structure of the labour market, the scope for social protection and welfare states, as well as fiscal policies their sustainability depends on, and even social security, are increasingly situated in transnational spaces. This is demonstrated by the economic crises that began in 2008, the drug-related violence rampant in Latin America and the Caribbean, and which also involves the EU and developed countries. Without ignoring the importance of good governance

practice in each State, the viability and the content of democracy, as a system of guarantees and entitlements, and the social contract itself, depends more on the contingencies associated with the adequate management of global risks and collective global action than the social agreements that have been defined by each Nation-State, or by regional integration processes. As such, it is imperative to place socio-economic development agendas and social cohesion within the emerging structures of global governance. Cooperation to confront jointly transnational dynamics, which one or the other views as a threat to security and the welfare states of both regions, such as drug trafficking, organised international crime or international migration, and cooperation to foster the international development goals post-2015, would be equally relevant.

According to their stated goals, both regions look to work together as global actors in order to create a “new multilateralism” that would be capable of fostering democratic institutions at an international level, thus improving their legitimacy, representativeness and effectiveness. The political dialogue, as a common socialisation and learning space, could well contribute to developing a shared global vision.

These goals, however, are jeopardised by the limitations that both the EU and CELAC present in their conditions as international actors. Also, both parties have this multilateral commitment because of new geopolitical imperatives, and prefer strategic alignments -with the US, China or the BRICS, more related with the politics of power balances and visions of a multipolar world, rather than a rationale of cooperation and collective action.

No less important is the lack of concrete agreements regarding multilateral agendas between the regions and within the regions, which often ends up being a divisive factor. The bi-regional commitment to multilateralism will ultimately be nothing more than an ineffective rhetoric that erodes the international credibility of both regions if power is not shared with emerging countries, if multilaterals are not reformed, and if there are no concrete agreements in relation to the agendas at stake.

ECONOMIC INTEREST AND STRATEGIC ALLIANCES: CONVERGENCE OR DIVERGENCE?

In the face of the emergence of the Asia-Pacific region in the global economy, both regions question themselves about relative usefulness and advantages of the bi-regional relationship, and in particular, the Association Agreements to improve their integration in the international economy. Viewed from this economic perspective, it is argued that the bi-regional relationship can continue to be functional in the pursuit of economic interests and the well-being of both regions, and particularly useful to improve its position in relation to the trade and investment flows, the global production chains, and the access to knowledge and technology. For Latin America, the EU could continue being a relevant source of high quality investments and employment through technology and knowledge transfer and advanced economic cooperation. It could improve Latin American competitiveness through the upgrading of infrastructure, higher education, and national policies of R&D+i. Even within the context of the recession, Latin America and the Caribbean would appear to be a preferred destination for European exports as well as the preferred origin of investments, as the success of “multilatinas” (multinationals based in Latin America), reveals.

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[Doubts emerge in both regions regarding the relevance of Association Agreements vis-à-vis their development strategies, regional integration and international insertion](#)

This notwithstanding, if those are the objectives, the EU-Latin America and the Caribbean strategic Alliance could potentially be considered less attractive when compared to other relationships and instruments vis-à-vis its position in the global market, for example, specific preferential bi-regional relationships, geopolitical links with other emerging countries, such as BRICS, or the mega-regional agreements such as the Trans-Pacific Partnership (TPP) and the Trans-Atlantic Trade and Investment Partnership (TTIP), which would bring them closer to other partners in detriment of the bi-regional relationship. Such moves, however, carry geopolitical and strategic implications, and not just in relation to trade, and would inevitably generate mutual suspicion and distrust because of not having been preceded by the necessary dialogue and mutual explanation.

Furthermore, these “mega-deals”, as will be discussed later on, pose serious challenges in terms of risk and opportunities, such as potential costs and benefits – trade and investment creation and diversion, and de facto imposition of rules and standards –, for the Association Agreements network promoted by both regions, and for the World Trade Organisation (WTO) multilateral framework. In this context, it is imperative to propose an open dialogue, based upon mutual trust, regarding the norms and standards, social and environmental effects, the cost/benefit relationship of these options, and the measures to mitigate and/or capitalise on their potential for the development and well-being of both regions.

It is, finally, important to list all the bi-regional commitments on human rights and democracy, in terms of themselves and third parties. These commitments could be compromised for the sake of pragmatism and because of economic interests, which could erode the social identity and unique policies of both regions as normative agents, weakening thus one of the source of its “soft power” and its international influence.

AN ASSOCIATION FOR COOPERATION AS A RESPONSE TO INTERDEPENDENCY AND MUTUAL INTERESTS

Ultimately, the bi-regional relationship needs to meet the demands of sector-specific cooperation that stem from their shared interests, generated in turn by the interdependency that interlocks both regions. This defines a broad agenda on advanced cooperation, shaped in accordance to global issues – international security, climate change and the the world drug problem, among others – as well as the developmental policies of middle-income countries in Latin America and the Caribbean, as well as policies of growth in the EU. In this area, the policies demanded by the Association Agreements with regards to the promotion of business, the policies focused on the promotion of environmentally and socially sound investments, and the cooperation to improve international competitiveness. This, in turn, should include areas such as the improvement of infrastructure, science and technology, the transference of technology and innovation to the productive sector, the formation of common space for higher education and professional training, and, all together, the establishment of a “EU-LAC Space for Knowledge and Innovation”. Of no less importance: the support of institutional reform, the promotion of human rights, the improvement of regulation frameworks, the policies for social cohesion (with an emphasis on fiscal policies), affirmative action to foster ethnic, and gender equality and to confront all kinds of discrimination, access and efficiency of public services, decent employment, conservation of the environment, and the fight against climate change, which includes energy efficiency and the improvement of energy sources through the development of renewable energies. Also, regional integration strategies should be supported, which is conceived as relevant instrument for the improvement of international competitiveness through the support of shared norms and policies, physical infrastructure and regional connectivity, as well as the coordination of policies and the provision of regional public goods.

The bi-regional agenda should be based upon the specific needs for development found in both regions as a result of the sustainable development agenda that will be defined in 2015.

In the past, the main, and practically sole, instrument for all of the above was the economic and development cooperation of the EU, placed in the traditional framework of development cooperation policies and North-South relations. This cooperation will continue to be important in the future for developing countries in Latin America and the Caribbean. Nonetheless, the relative ascent of some countries in the region, and the quick development of its South-South cooperation programmes, have cleared the way for collaboration in a triangular cooperation within Latin America and the Caribbean, as well as in the global level. In this way, both regions can work together as agents in global development, in the multilateral frame for “post-MGD” goals and objectives that will be implemented from 2015 onwards.

If a global and multilateral, bi-regional cooperation agenda is not adopted, the bi-regional partnership between the EU and Latin America could potentially become less relevant and lose political clout, focusing in the management of technical cooperation in areas of shared interests, whereas Latin America deploys its own South-South cooperation and ceases to be the destination of traditional EU development cooperation, leading to a declining and routine relationship.

RISKS OF DECLINE IN BI-REGIONAL RELATIONS AND “FRAGMENTED BILATERALISM”

Paradoxically enough, the decline in interest for bi-regional relations and the dynamics of EU-CELAC Summits coincide with rising interest among many of the Member States, in both the EU and Latin America and the Caribbean, in forging a more intense bilateral relationship, particularly in terms of trade and investment, which cannot seem to find its place in the bi-regional framework. In light of this, it is reasonable to question if the four reasons (detailed above) are capable of driving forward the bi-regional relationship in the long run. If so, a reversal of fortunes for the bi-regional partnership cannot be discarded completely. In the face of the decrease of mutual interests, as well as the fragmentation or lack of cohesion of both regional actors and in the bi-regional partnership itself, there could be a “re-nationalisation” of their respective foreign policies, and a “fragmented bilateralism” could emerge as the norm for the relationship between the EU and Latin America and the Caribbean.

SOCIAL AGENTS AND CIVIL SOCIETY: PARTICIPANTS WITHOUT DUE RECOGNITION

The bi-regional dialogue continues to be intergovernmental in nature despite the civil society forums convening on a regular basis. Unfortunately, there has been little participation in this dialogue from non-central governments, non-governmental agents, and civil society. This is not just a problem of institutional structures. There seems to be a lack of concrete consensus regarding its nature and scope – what agents, what structures, in which agendas... – and whether it should be institutionalised. Part of the problem lies in the great differences that exist regarding its make-up, nature and vision between the EU and Latin America and the Caribbean, especially given that in the latter, there are no organisations of equal size and dimension to the EU, and which are active on issues in the multilateral agenda.²² Nor is this participation channelled ad-

equately in the Latin American “new regionalism”. On the bi-regional level, there are still different perspectives in regards to this: often, it is believed that the participation of these civil society organisations undermines the legitimacy of elected governments and political parties, and thus, of representative democracy. However, there are agents – including the governments of both regions – that believe that an adequate participation of civil society organisations contributes to democracy and, furthermore, it creates many synergies with the strengthening of institutions and democratic governance.

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The bi-regional dialogue ought to seek ways in which to integrate civil society’s voice and participation

From this perspective, it would appear to some observers that the absence of civil society and of mechanisms for social participation affects the bi-regional association negatively: it obstructs or encumbers including issues supported by civil society. It also affects its legitimacy.

PROPOSAL FOR THE II EU-CELAC SUMMIT: A POLITICAL DIALOGUE REINFORCING A CLEAR, STRATEGIC VISION

The proximity of the convening of the II EU-CELAC Summit in Brussels (2015) creates the need to generate proposals in the political realm aimed to avoid keeping the status quo or the exhaustion of the political dialogue. There is a need now to instil a new dynamic and to drive forward the Summit – and the bi-regional process – in a genuinely associative direction and to rediscover its purpose and strategic outlook.

In order to achieve this, firstly it seems necessary to hold a reinforced political dialogue in order to focus the high level political dialogue of the “EU-LAC Strategic Association” in a small number of issues and/or goals that are truly strategic for both regions; a more selective agenda that accepts that the point of departure could be divergent positions rather than consensus. All this, without undermining the agreements and plans for action that have resulted from previous Summits, which are already integrated into its own institutional channels and processes, or new issues that could thus be incorporated into these channels. This new “strategic” agenda should focus primarily on “existential” issues whose consequences are felt beyond both regions and which affect their international standing. Thus, subsequent summits can focus on developing more concrete agreements on a reduced number of key items, rather than losing focus amid a large number of topics in which the lowest common denominator approach prevails. Perhaps the best starting point would be to focus on disagreements rather than on agreements.

It seems important to separate the agenda of the Summit, more selective and strategic in nature, from the bi-regional agenda, which is broader and more conventional. As will be pointed out later, other EU-LAC agendas can remain within the broader framework of the bi-regional partner-

²² Serbin, A. (2011). Los nuevos escenarios de la regionalización: Déficit democrático y participación de la sociedad civil en el marco del regionalismo suramericano. Buenos Aires, Coordinadora Regional de Investigaciones Económicas y Sociales (CRIES), documentos n° 17.

MORE STRATEGIC AGENDAS AND A RE-POLITISATION OF DIALOGUE

To reinvigorate the partnership, there is a need for a reinforced, high-level dialogue that focuses on a more selective and limited agenda on issues and/or objectives that are truly strategic, which will enable the re-politicisation of the bi-regional partnership.

To achieve this, each party must equip itself with a truly strategic vision of what it aims to achieve through the bi-regional partnership.

This strategic agenda must focus on “existential” aspects that go beyond both regions and affect its international standing. This presupposes a separation between the the summit agenda, more strategic and selective, from the bi-regional agenda, broader and conventional in nature.

Summits should focus on the consolidation of “strong” consensus on a selective number of key issues, instead of being diluted by the “lowest common denominator” which is usually reached in many of the topics of the bi-regional agenda.

ship, by means of a more flexible “variable geometry” structure that enables greater progress in particular issues upon which some countries could agree because of their respective interests.

In some way, it means “re-politicising” a dialogue focused in a limited agenda, and to overcome agendas that seem to be affected by a process of depletion or exhaustion, in part as a result of a process of preparation of former summits focused in producing a consensus declaration, without allowing the spaces for an open, honest and frank dialogue among the leaders – something that is quite different in other summits, and also because their usual focus in development cooperation programmes, despite it being only one of the dimensions of the relationships.

Nevertheless, in order to make significant gains, both regions need to have a clear strategic vision for the partnership, something which does not seem to be the case due to the more urgent agendas, to the shortcomings of the agreement processes, or to the loss of interest and relevance. More confidence is needed, and for this, more honesty regarding the interests of both parties and less of a burdensome rhetoric.

RELEVANCE, LEGITIMACY AND EFFECTIVENESS OF POLITICAL DIALOGUES: MEETING THE DEMANDS OF THE CITIZENSHIP AND THE CHALLENGES IN A CONTEXT OF CHANGE

The II EU-CELAC Summit (Brussels, 2015), should not be considered as “business as usual”, but rather it should keep in mind the factors of structural change within the global context and within each region, in order to adhere to the strategic nature of this high-level political forum; it must also improve its effectiveness as a framework for consensus and political agreements for

all its partners; and must once again prioritise the problems that affect and concern broad social groups in both regions, in order to regain credibility in the eyes of citizenship, public opinion and social agents. With these objectives, three main agendas could be tentatively put forward as the focus of the II EU-CELAC Summit in 2015:

a. Recover the social agenda addressing issues considered relevant for both regions:

There are many different situations regarding the economic cycles and levels of development of both regions, but there are social issues that are genuinely bi-regional in nature and which both regions must confront. Youth employment and SMEs support, for example, are issues associated with broader agendas in the areas of education, professional training, innovation and the transfer of technology, and social cohesion, which are already addressed in plans of actions of previous Summits. Most pertinently, tackling these issues presupposes commitment to social aspects, the quality of democracy and social contracts. These agendas have been addressed mostly through sector-specific meetings or in the area of cooperation for development, but now the time has come to reposition them at the highest level of political dialogues. In meeting the broad demands of the citizenship in both regions, there is an opportunity to re-legitimise the bi-regional dialogue given that the social question is closely related with the problem, as will be discussed later, of a growing discomfort in democracy and the criticisms of the current social contracts in both regions, all of which, reflect the unsatisfied demands of the middle-classes concerning governance and social cohesion. This could lead to a “development pact” that could re-launch the partnership between both regions and could augur a future joint involvement in the development of the Sustainable Development Cooperation, post-2015, thus placing the bi-regional cooperation and the South-South cooperation in this multilateral framework.

b. Power shifts, new geopolitical alignments and “mega-regionalism”: impact and significance for EU-LAC relations:

Both regions need to redefine their place in the world in light of the export boom in Latin America and the European crisis. The integration of new actors amid the changeover of power is something that both the EU and Latin America and the Caribbean need to address and negotiate. In particular, issues such as the rise of other actors, such as China, and its implications for the international system; the re-composition of the North-Atlantic region and the creation of a Trans-Pacific axis through the negotiation of regional mega-deals like TPP and TTIP; the implications for multilateralism and global governance of those agreements and of new institutions, such as those proposed by BRICS (New Development Bank –NDB- and the Contingent Reserve Agreement –CRA), in which some members of the bi-regional association EU-CELAC are involved. All this requires a transparent and open dialogue, even if it does not lead to agreements based on the “minimum common denominator”. Also, if these alignments are not addressed in the dialogue, it is at least necessary to exchange information relating to their development, impact and foreseeable effects; it is also necessary to seek support mechanisms for these processes, and ways of adapting the existent relationship frameworks, as well as new formulas for cooperation vis-à-vis its development.

c. Political coordination within the multilateral agenda: post-2015 objectives, climate change and the worldwide problem of drugs. As indicated before, the multilateral agenda in 2015 and

SUMMITS AND POLITICAL DIALOGUE: RELEVANCE, LEGITIMACY AND EFFECTIVENESS

The Second EU-CELAC Summit (Brussels, 2015) cannot be an extension of the status quo and should instead address a strategic agenda that focuses on global shifts and the problems affecting respective societies, on improving their effectiveness, and on restoring credibility before its citizenship. This would imply:

- Recovering the social agenda by addressing relevant issues for both regions.
- Debating the impact and significance of the readjustment of global power and the new geo-political alignments, changes which both regions have a part in.
- Political concerted action concerning the imperatives in the multilateral agenda: post 2015 development goals, climate change, and the world drug problem.

A political dialogue more relevant, legitimate and efficient would in turn require:

- Flexibility: due to the diversity of both regions, it would be necessary to combine strategic frameworks with a “variable geometry” structure open to all.
- Horizontality and symmetry: for keeping in mind the asymmetries that still exist, cooperation mechanisms should reflect the rebalance of the EU-CELAC partnership and the horizontal and genuinely associative nature of this relationship.
- Trust and transparency with respect to negotiations and alignments with third parties, and the joint action in times of crisis.
- Effectiveness through the monitoring and evaluation of action plans.
- Openness to agendas, and the social and economic actors in civil society.

2016 will be marked milestones in these three areas,²³ which require a high-level political dialogue for a concerted political action and policy coordination when addressing common agendas for the establishment of a possible “Bi-regional Alliance for Sustainable Development”, as part of the commitments made in Busan and Rio+20.

CRITERIA FOR ACTION TO RE-LAUNCH THE PARTNERSHIP

The bi-regional association also demands changes in its format and functioning in order to improve its effectiveness and credibility beyond the Summits. In particular, the following criteria should be explored:

a. Flexibility: In recognition of the broad spectrum of diversity that exists in both regions, the bi-regional Association should be based on combining strategic frameworks and a “variable

²³ 2015 Climate Summit (COP21, Paris, 30 November-11 to December 2015); culmination of works by OWG on post-MDG goals (New York, July-September 2014) and inter-government negotiation for the upcoming UNGA session in September 2015; and Special Session of the General Assembly (UNGASS 2016) on drug issues (New York, 2016).

geometry” structure, with a universal vocation (open to all) that allows, depending on the issue, the formation of variable groups from different countries to cooperate more earnestly and to progress more in different aspects of the bi-regional agenda, or, in the case of the bi-regional partnership, to enable a political dialogues that are not feasible in the broader bi-regional framework. In this context it is important to define what corresponds to the strategic inter-regional and bilateral spheres, and to ensure that bilateral relationships are adequately integrated, thus creating synergies with the bi-regional agenda without weakening or fragmenting it.

b. Horizontality and symmetry: Beyond a bi-regional political dialogue, traditional cooperation formulas demand an update to reflect the re-balancing of the EU-CELAC relationship and its genuinely associative and horizontal nature, but not without acknowledging the asymmetries that still exist. New partnership arrangements and cooperation mechanisms, such as EURO-social II Programme, demonstrate this criterion. Without disregarding important and persistent asymmetries between and within both regions, the EU, in particular, must learn to treat third parties as equals, with shared confidence and visions; likewise, Latin America and the Caribbean must adopt a less defensive stance and be more open to cooperation, in accordance with its new status.

c. Trust: amidst the risk of crises in both regions and neighbourhoods, it is important to strengthen the relationship of trust and the capabilities of the mechanisms for concerted political action among chancellors from both regions, as evinced by the nature of the relationship in previous decades. At the time, this allowed for for an effective cooperative effort that led to the end of the armed conflicts in Central America. Rebuilding trust, currently, requires greater transparency and communications regarding negotiations and alignments with third parties that are fostered by both regions, the shared interests that drive them forward, and its effects on the bi-regional partnership.

d. Effectiveness. This issue entails giving greater attention to mechanisms for prior consensus within each regions, and the monitoring and evaluation of action plans through a process that includes Summits and sector meetings between ministers and high-ranking public servants. It is evident that, in relation to all these issues, including those that could be defined as “strategic”, whether or not they reside in routine monitoring mechanism, the capacity for reaction in the face of emerging situations will always be limited. Therefore, ensuring efficiency presupposes that that the management of these few issues will be retaken at a political level in order to ensure that its complete functionality in relation to whichever objectives have been for it.

e. Openness. Within the framework of the inter-government process, it seems necessary to establish broader channels for dialogue and participation among social and economic agents – social organisations, civil society, business sector... –, and particularly, it seems necessary to provide answers for the agendas set by these agents. Plans of action, especially, could offer a mechanism to reroute the participation of these agents in different matters of the bi-regional agenda. The bi-regional political dialogue can be conceived of as a space to facilitate participation and promotion of human rights and democracy, as is the case in the EU-Mexico dialogue on

human rights or the EU-CELAC forum on gender. This kind of mechanisms could be extended to other aspects, even in economic relations. Potentially, this could lead to overcome the barriers to these issues normally found at the inter-government level, where they are still viewed as outside interference, and it has not been possible to secure a balanced relationship. While arrogance or a defensive stance is still observable in the intergovernmental political dialogue, the dialogue between non-governmental agents is more balanced and open.

2 DISCOMFORT IN DEMOCRACY AND RENOVATION OF THE SOCIAL CONTRACT: CHALLENGES FOR THE BI-REGIONAL POLITICAL DIALOGUE

DEMOCRACY, CITIZENSHIP AND HUMAN RIGHTS: THE CHANGING BI-REGIONAL AGENDA

As previously stated, the commitment to democracy, human rights and the rule of law has become the initial motivation and the cornerstone of the partnership between the EU and Latin America and the Caribbean since its inception in the 1970s. The contribution made by dialogue and bi-regional cooperation and its dialogue to the transition and the consolidation of democracy in the 80s and 90s in Latin America, as well as the contributions made to the affirmation of EU's foreign policy and its status as an international actor as such, have been extensively acknowledged; moreover, it is still relevant in light of the democratic changes pending in some of

the countries of Latin America and the Caribbean. It has also contributed to promoting the identity of both regions as "normative agents" on the international scene.

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The political agenda has shifted to the economic and social dimension of democracy, citizenship and human rights, and from legitimacy of origin, to legitimacy of outcomes

Somewhat paradoxically, when the 1999 Río Summit elevated the bi-regional dialogue to the highest political level, the agenda on democracy and human rights lost relevance, although it remained as a legitimising discourse of the bi-regional partnership. The traditional framework for dialogue, whose premise was the support of the EU in the consolidation of democracy in Latin America, became dysfunctional and anachronistic due to two main reasons: firstly, due to the normalisation of electoral democracy in Latin America and the Caribbean, and secondly, due to the growing tendency of Latin America and the Caribbean to reject external guidance

in this aspect, both from the United States, in its traditional pre-eminent status in the Organization of American States (OAS), as well as a rejection of the EU's guidance, whose human rights track record and its democratic credentials were being called into question in light of its obvious

shortcomings and limited focus on the issue of migration, and, later, in the context of the crisis, the deterioration of its social model and the rise of xenophobia and populism. Devices for electoral supervision, democratic clauses and mechanisms for crisis management were put in place through regional organisations – such as the established UNASUR – which have allowed the regions to take measures against potential coup d'états and the institutional crises that some countries have experienced from the mid-2000s onwards. Furthermore, the greater relevance afforded to issues such as social cohesion seemingly indicated that the agenda was gravitating towards the social and economic dimensions of democracy, citizenship and human rights: once the legitimacy of origin of governments was assured. Questions began to be oriented towards the legitimacy of the results derived from the measures implemented by the governments to meet the social and economic demands and expectations of societies still marked by inequality and exclusion. Democracy and citizenship are therefore viewed as more than a system for political participation, legitimisation and renovation of governments through an electoral process; democracy and citizenship are also a system of guarantees, social, economic and cultural rights and entitlements which guarantee a minimum of protection for one and all. This agenda of “quality of democracy” also includes problematic issues such as the low quality of public policies and the weakening of institutions, the extension of rights and entitlements, and the possibility of financing these through broader and more progressive fiscal systems, contributing thus to greater social equality.

DISCOMFORT IN DEMOCRACY: A BI-REGIONAL PROBLEM, ALTHOUGH WITH DIFFERENT CAUSES AND DYNAMICS

In the 2000s, however, the optimism in democracy during that “end-of-story” subsided and turned into circumspect and problematic visions when each region had to deal with its limitations and shortcomings in relation to democracy and the social expectations and demands that this implies. It also made way for a more symmetrical bi-regional partnership in which neither party has sufficient credibility to become the “model” par excellence. Both regions acknowledge that there is a growing discomfort with the democratic process in their respective regions, and in relation to the social contract currently in force. This growing resentment calls into question the identity and the shared values of the regions, both on a national and international level. Democracy as such is not being questioned, and certainly support for authoritarianism continues to dwindle. What is being questioned, however, is the mechanisms, scope and content of democracy as a concept. Although this problem could be differentiated because of what causes and how it operates in each region, and each country, there is some common ground; they can all be described as discomfort in democracy, and each region suffers the same consequences: dissatisfaction among its citizenship, risk of instability, erosion of institutional and democratic legitimacy, and social protests. This “discomfort” is clearly demonstrated in the different opinion polls. Latinobarometro and Eurobarometer, especially, point to a shift in attitudes in the citizenship with regards to democracy. After the years of recovery in both regions, during the period between 2008-2013 there is a sharp

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Dissatisfaction, inequality and exclusion and the expectations or fears of numerous sectors of society in both regions are at the core of emerging social movements

decline – down 16 points in the EU and 6 points in Latin America –, which places them at 36% and 39% in their respective indexes – practically the same in both regions. As a result of this shift, the amount of unsatisfied people with the way democracy is working is greater than those who declare themselves to be satisfied.²⁴

Also, in both regions, dissatisfaction, inequality and exclusion, the expectations and fears of broad sectors, all originate in social movements that have questioned the government and the current “social pacts”, though as a response in different contexts and with various degrees of intensity.²⁵ In the EU these manifestations are clearly linked to insecurity and fear of whether the Welfare State can keep its promises for current and future generations.

In Latin America, particularly those countries that have gone through a period of growth but nevertheless continue to register inequality and poor quality at an institutional and governmental level, the protests are closely linked to fear of relating to these. In poorer countries, or in the majority of the Caribbean, that globalisation has not fulfilled the promise of growth and progress intensifies tension in society, which are already fragmented by high levels of exclusion.

The surveys from the Global Attitudes programme led by the Pew Research Centre show an increasing level of concern and the generally held view that inequality is growing, in every case registers at over 50% of the population, and the difference is even greater in some cases. These same surveys show that, while in emerging countries the general perception is that future generations will be better off than their parents, in advanced countries, particularly those who are members of the EU, have widened their perceptions in the opposite direction; in France, for example, up to 90% of the population believe that future generations will be worse off. But these differences in expectations among developing, emerging and advanced countries are not observable when referring to the bias in policy and government interventions. 74% of the population in advanced countries, and 70% in developing and emerging countries believe that their current political system favours the rich.²⁶ In short, both regions face the need to seek answers to these social and political dynamics to which the bi-regional dialogue could contribute.

This cycle of dissatisfaction, disaffection among the citizenship, changes in expectations and social mobility may have been exacerbated by dissemination of Information and Communication Technologies (ICTs) where there is now greater access to information, critiques and a massive political dialogue through the use of social networks, as demonstrated by the increased use of smartphones, which have allowed for the creation of a novel public space

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²⁴ Latinbarometer Corporation (2013), 2013 Report. Santiago de Chile, 1 November, pp.. 31, 36, own data and Eurostat information.

²⁵ The area where protests have been more abundant is in OECD countries, followed by Latin America and the Caribbean.
See the work by Ortiz, I.; Burke, S.; Berrada, M. y Cortés, H. (2014), *World Protests 2006-2013*, Nueva York, Friedrich Ebert Stiftung/Iniciative for Policy Dialogue.

²⁶ Pew Research Center (2013). *Economies of Emerging Markets Better Rated During Difficult Times*, 23 May, pp. 20, 23, 27-28.

for debates on political discourses, as opposed to the mechanisms for political debate, representation and mediation in the political systems of both regions; and in particular representative democracy, which has not progressed in the face of economic, social and technological change.

THE EUROPEAN UNION: SOCIAL DISCOMFORT AND IDENTITY CRISIS

In the EU, there has been debate on the scope of democratic and citizen rights regarding questions of gender equality, violence against women, immigration, gay rights and other forms of discrimination. However, the economic crisis has forced the EU to face the obvious contradiction of defending, on one side, the “European social model”, the rights guaranteed by the EU Fundamental Rights Charter, and the objectives for social cohesion set by the Treaties; and defending, on the other side, the Troika’s implementation of hard-line austerity policies to tackle the economic crisis, the bail-out programmes implemented since 2010, and the further deterioration of the “democracy deficit” implicit in the new economic governance of the Eurozone, thus defined since 2011.²⁷ To a certain extent, what the economic crisis has made resurface, is the result of 25 years of a globalisation process in which the EU has been unable to put in place safeguarding measures to protect its model of social, political and economic integration. In addition, many political parties in the EU face a serious crisis of representation, though this phenomenon is felt in different degrees in each country. The growing distance between the citizenship and institutions, therefore, is a fact at national level, as well as at European level.

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The incoming and outgoing nature of the migratory movement demands from the governments and societies of both regions changes of perception, attitudes and policies

These issues, which are observable at national and European level, are the background to the new social movements and the nationalist tensions that have emerged in some Member States, as well as the more wide-reaching and worrying rise of populism, ultranationalist and xenophobic parties, something which is manifest in rise of these forces in actual European Parliament in 2014.

According to data provided by Latinbarometer, Latin American opinion regarding the EU fell by 20 points between 2011 and 2013, from 66% to 47%, and in some countries it is as low as 40%. This decrease is much worse in comparison to other associates outside the region, the United States and China, for example. The latter is viewed more favourably than the EU within the region. Either way, there is a drop in favourable opinions for the bi-regional relationship, from 68% to 56%.²⁸

²⁷ For a more detailed analysis see Closa, C. (2013), “La gobernanza fiscal y macroeconómica europea y sus limitaciones democráticas”, *Revista Aranzadi Unión Europea* nº 12, diciembre de 2012, pp. 51-65. También Parlamento Europeo (2014), Informe sobre la investigación relativa al papel y las actividades de la Troika (BCE, Comisión y FMI) en relación con los países de la zona del euro sujetos a un programa (2013/2277(INI)), Comité de Asuntos Económicos y Financieros, Ponentes: Othmar Karas, Liem Hoang Ngoc, 28/2/2014

²⁸ Latinbarometer Corporation (2014). Imagen de los países y de las democracias, 9 July, pp. 11, 27

The issue of immigration also seems to internally and externally challenge the EU's values and identity. Throughout the first decade of the 21st century, it was not possible to develop a common immigration policy, at a time that highlighted the failures and limitations of the-current national immigration policies or the different models of social integration policies that were adopted by Member States. With the economic crisis, these problems seem to have gotten worse, and the rejection of immigration and xenophobia, in both its relationships with third parties and among EU citizens, have become the expressed political objective and a central element in political debates and in the political and electoral mobilisation strategies of the right-winged populist parties, which threaten the freedom of movement and establishment observed by the EU. This issue has weighed heavily on bi-regional relations. In particular, Latin America's questioning of the "return directive" and its petition for a change to the restrictive visa policy that the EU applies to some countries has undermined the EU's international legitimacy and political reputation.

The situation has been aggravated by the shifting migratory patterns, motivated by the Eurozone crisis, between both regions, as previous emigrants return to their country of origin, and the emigration of an increasing number of people in search of work, many of which are qualified workers, from the countries worse affected by the crisis to Latin America and the Caribbean, who in turn, in the midst of a cycle of economic expansion, has experienced a "bottleneck" situation because of the lack of professionals and highly qualified workers.²⁹ These quick changes in the emigration flows, in a changing global context, once again raise questions for the governments and the societies of both regions in relation to the need to change perceptions, attitudes and policies that deal with emigration and return to the country of origin. Also, it has been noted that there is a clear need to establish rules in order to regulate all these migratory patterns within flexible frameworks that allow for greater chances for reintegration; in any case, governments must guarantee immigrants' fundamental rights.

BEYOND ELECTORAL PROCESSES: CHALLENGES FOR LATIN AMERICAN AND CARIBBEAN SOCIETIES

In Latin America and the Caribbean, the normalisation of democracy is evidenced by the jammed 2013 and 2014 electoral calendar— around half of the countries of the region had elections during this time. Together with the polls that have already been held in Chile, Honduras, Paraguay and Venezuela in 2013, 2014 saw presidential/parliamentary elections in Bolivia, Brazil, Colombia, Costa Rica, El Salvador, Panama, the Dominican Republic and Uruguay. What these polls cannot deny is the evident "discomfort in democracy" that exists in the region, and which is expressed through an intense political debate on the scope and significance of this system of government, between rights and guarantees implicated in the traditional interpretation of the illiberal-Western of democracy and the emergence of other left-wing alternatives since the 2000s. This has led to a constitutional processes in a number of countries in the region that focuses on the broad social

²⁹ Campanella. E. (2014), "Come home, Europeans. Europe's brain drain problema is becoming a major crisis", Foreign Affairs, 16 October.

demands that have yet to be met after a decade and a half of liberal economic policies and the growing acknowledgement of citizenship's rights to ethnic and cultural diversity that is part of the region and, in some cases, the multinational nature of some countries.

The fact is that, beyond electoral democracy, nowadays in Latin America and the Caribbean there are still important challenges related to basic human rights, as evidenced by the mobilisation of paramilitary groups in some countries; or the threats and crimes committed against journalists and media outlets. Moreover, the content or conceptualisation of democracy may have been weakened in terms of its remit in the construction and consolidation of democratic institutions. The link between democracy and rule of law, which were a matter for policies of cooperation in the promotion of democracy, is being questioned because of its part in a traditional North-South scheme, which today would not be accepted by many countries in the region.

In any event, the democratic agenda for the region is currently being led by the challenges presupposed by the materialisation of civil and social rights. These cannot be grouped under false dichotomies such as representative vs. participative democracy, or under the imperative of social cohesion vs. electoral participation.

From this perspective, the most notable advances can be found in the cycle of economic growth, better employment, the reduction of poverty and income inequality, and added to these is the collection of social policies that has become broader and inclusive, particularly the government programmes of conditional cash-transfers, wage policies and the expansion of secondary education. All of this has enabled the reduction of poverty under a fourth of the region's population, measuring it with a poverty line of 4\$ per day adjusted to the purchasing parity, as well as an expansion of the middle-class. From the perspective of meeting the objectives of Millennium Development Goals (MDGs), Latin America and the Caribbean, as a region, presents an encouraging picture, and if these encouraging trends continue, it will achieve the goal of reducing extreme poverty and hunger, child mortality and increasing access to clean drinking water. However, there are countries – Bolivia, Haiti, Nicaragua and Paraguay – that will not meet the reduction of poverty goal, and the region as a whole will not meet the goals for primary education, gender equality, reduction of maternal mortality, reproductive health and environmental sustainability, set by the MDGs.³⁰

Concerning the inequality index, the period from 2002 to 2003 represents a turning point because of the marked improvement in the majority of countries. In 1981, the regional Gini index was 0.51, in 2002 it reached 0.54 and then in 2010, it moved to 0.50. This data implies that 30 years were needed in order to reach pre-debt crisis levels. Nevertheless, despite this improvement, it remains far too high. The explanation for the improvement is two-fold: the cycle of growth and its concomitant positive effect on employment and wages, and the greater access to secondary and tertiary education, which has reduced the wage advantage of the best qualified workers. In some

³⁰ United Nations (2013). *Desarrollo sostenible en América Latina y el Caribe. Seguimiento de la agenda de las Naciones Unidas para el desarrollo post-2015 y Río+20*. Santiago de Chile: ECLAC, LC/L.3590, March, p. 13

countries, the availability of secondary education has increased by 20 points.³¹ This means that the region has made important achievements with regard to social inclusion and broadening the concept of citizenship beyond basic rights and the right to vote; but social inclusion and social cohesion issues, viewed from the prism of inequality, wages and asset distribution, are still a challenge. This political agenda is key to political stability, which, in turn, affects business performance: in so far as it is related to unacceptable employment conditions, it affects the conditions for foreign investment and the growing social responsibility of companies.

Gender equality issues such as violence against women or the scope of reproductive rights have also placed these issues at the forefront of the social and political agenda of many countries in the region. The increasing social demand for the acknowledgement of rights associated to Latin America and the Caribbean's own cultural diversity is no less relevant. The issue of diversity goes beyond simply ethnic or cultural diversity, but also touches on sexual orientation or even citizens with disabilities. All of this requires the broadening of the democratic agenda and meeting the demand for broader public policies that are more inclusive, and of a better quality.

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The rise of the middle classes is perhaps the most important social change and one which poses the biggest challenge for the democratic governance agendas

This broader agenda on social and citizenship rights also extends to the underperformance of mechanisms for representation, control and accountability, access to justice and effective legal protection; independence and balancing of state branches; the demands for free press and autonomy of the media, which are under threat from the government as well as from corporative interests because of the violence and restrictions that journalists and media outlets have suffered. Some governments have also questioned the role and purpose of the mechanism and rules that serve as regional and international guarantees in this area; such is the case of the Inter-American Commission on Human Rights (IACHR).

THE DEMOCRATIC CHALLENGE POSED BY THE RISE OF THE MIDDLE CLASS

The rise of the middle class – perhaps the most important social change of the past few decades – poses the greatest challenge for the democratic governance agendas and for the redefinition of the social contract. Between 2000 and 2009, the Latin American population that could be considered “middle class”, according to the World Bank – that is to say, population with an income adjusted to a purchasing power parity somewhere between \$10 – \$50 per day per capita) – increased by 50% to some 100-150 million people, up to about 39% of the region's total population. It is estimated furthermore, that this figure could climb to 42% by 2013.³² It is important to make clear that this phenomenon varies greatly from country to country. In the Caribbean, for instance,

³¹ OECD (2012). *Perspectives on Global Development 2012: Social Cohesion in a Shifting World*. Paris: Development Centre, OECD, p. 112.

³² Ferreira, F. et al. (2013), *Economic Mobility and the Rise of the Latin American Middle Class*, Washington, Banco Mundial.
See also Kharas, H. (2010), *The Emerging Middle Classes in Developing Countries*, Paris, OECD Development Centre, Working Paper n° 285.

the opposite is true: given the less favourable economic climate, the middle class shrinks and there remain large sections of society that are deprived, who demand participation and exert a growing pressure on the governments.

From a socio-political perspective, the rise of the middle class could mean the strengthening of democracy, civil society, tolerance, diversity and the transition to a broader service economy. But it could also lead to greater expectations of upward mobility and an increase and qualitative change in social demands, such as questioning the governmental structures at a local, national and global level.³³ Not surprisingly, these emerging social groups – with a notable youthful presence - have carried out some of the most important social mobilisations that express the “discomfort in democracy”. The demands by Chilean student for affordable and quality college education, the Brazilian protests for improvements of public services and eradication of corruption, or even marches against public insecurity in Buenos Aires, Mexico and other Latin American cities are pointing in the same direction. Even though there are clear differences from one region to another, these Latin American mobilisations seem to mirror similar mobilisations in the EU and in both developed and developing countries and regions.

The rise of the middle class also poses growing demands in the proportionally weak capacity of the governments to provide public goods; tackle the conflicts in distribution; regulate the markets by protecting consumers; the territory; the environment, and administering public services. But the biggest challenge is to be found in the unfavourable economic situation that seems to be approaching. Both the “not-poor” and the rising middle class, with incomes barely above the “poverty line”, are characterised by their vulnerability to eventual external shocks or to recessions associated with “middle income traps” that could affect the countries in the region if the “super-cycle” of commodities comes to an end because the deceleration of the global economy. In reality, the people who the World Bank consider vulnerable to relapsing into poverty is still the largest social group in the region.³⁴ This presents great challenges regarding social inclusion and cohesion. It requires affording governments some room to manoeuvre in order to adopt counter-cyclical measures that will prevent large social groups from falling back into poverty.³⁵ This calls for policies that are oriented towards maintaining growth in a less favourable international context. It is estimated that 70% of the poverty reduction from 2003-2012 is due to improvements in wages and job creation; the rest can be attributed to the aforementioned social programmes. Furthermore, a climate of economic growth makes it more feasible to develop policies directed at promoting social inclusion and tackling with poverty and inequality – thus the importance for investment in productivity, in particular, improving education, infrastructure or the

³³ European Union Institute of Security Studies (2012), *Global Trends 2030. Citizens in an interconnected and policentric world*, París, EUISS, March.

³⁴ López-Calva, L. F., y Ortiz-Juárez, E. (2011). *A vulnerability approach to the definition of the Middle Class*, World Bank, Policy Research working paper n° 5902, December.

³⁵ Paramio, L. (2013), “Desigualdad y nuevas clases medias”, en G. Fernández de Soto y P. Pérez Herrero (coords.), *América Latina: sociedad, economía y seguridad en un mundo global*. Madrid: Marcial Pons/IELAT/CAF-Banco de Desarrollo de América Latina, pp. 133-141.

rate of productivity in the region. It is no less important to consider the need for greater government revenues given that, though improvements have been made over the last few years, collection rates remain low and the fiscal systems in the regions hardly impose levies on capital gains, properties or inheritances; therefore the systems can be mostly described as not progressive.³⁶

However, the rise of the middle class has further reaching consequences. As is the case in the EU where the middle class is subjected to social and economic pressures, in Latin America and the Caribbean the middle class demands a redefinition of the social contract that links this group with the State and the rights and responsibilities of this contract. These social strata bear the most of the tax burden, and yet, they do not receive quality public services, they have been deprived of health cover and education, as well as marginalised by the social programmes focusing on the poorest, which the governments have set in motion in recent decades. On one side, this new social contract should be based on broader fiscal reforms that widens the tax base (thus reducing the high levels of informal employment); more progressive tax revenue systems; a more efficient revenue administration; and, as in the EU, improving international regulation to confront what the OECD calls the erosion of the tax base.³⁷ On the other side, the legitimacy and viability of these reforms is contingent on improving the use of resources, eradicating corruption, and to meet social demands by improving the coverage and quality of social services, particularly in relation to the middle class and its aspiration for progress – public education, social security coverage and health, and public safety – and without whom these reforms will not be legitimate.

CITIZENS' SECURITY: CHALLENGES FOR DEMOCRATIC GOVERNANCE

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Citizen security is imperative for the bi-regional dialogue on democratic governance

In a significant number of Latin American and Caribbean countries, citizens' security is one of the key challenges, if not the most important, for democratic governance. The inability on the part of governments to satisfy what could be considered one of its most basic functions, as a precondition for freedom and civil cohabitation, corrodes its legitimacy and undermines the social contract in the face of pandemic levels of criminal violence that have swept across the region: more than 100,000 homicides a year, a million per decade, and an annual increase of 11%

- the largest in the world – between 2000 and 2010.³⁸ There is a great variety of violence and threats to safety– street crime, illicit crime related to arms, drug and human trafficking, gender violence, kidnappings and extortion, economic crime and corruption... - and the levels of insecurity in each country; the high incidence of homicides, however, is a region-wide problem, and in more extreme cases, threats and violence put the State and the most basic principles

³⁶ World Bank (2014). Social gains in the balance: a fiscal policy challenge for Latin America and the Caribbean, Washington, World Bank, February.

³⁷ OECD (2013). Addressing Base Erosion and Profit Shifting. Paris, OCDE.

³⁸ Figures from UNDP (2013). Informe regional de Desarrollo humano 2013-14. Seguridad ciudadana con rostro humano. Diagnóstico y propuestas para América Latina. New York, United Nations Development Programme (UNDP) and the shift to better citizen security. Nueva York, UNDP.

of social coexistence at risk. Although the region is not officially at war, the armed conflict in Colombia, and more recently, Mexico's war on drugs, as well as high levels of criminality in Guatemala, Honduras or Jamaica, reveal just how far violence can reach and its transnational nature. In the Central America and the Caribbean cases, this violence is especially virulent and of a specific sub-regional nature, which warrants due consideration.³⁹ In Mexico's case, particularly, around 50,000 people were killed between 2006 and 2011, and with very little progress in the war on drugs that may not have been winnable, and which only served to demonstrate the futility of this exercise and the need to address the worldwide drug problem through other visions and strategies.

The deteriorating violence indicators contrast heavily with this decade's positive evolution in other economic and social indexes, particularly in relation to job creation and the reduction of poverty and inequality. Although these continue to be too high, and are therefore key factors in the analysis of the causes of violence, it is also important to acknowledge that social exclusion continues to exist alongside: (a) lofty consumer expectations that derive on "aspirational crimes"; (b) rapid urbanisation processes and social changes that bring down the traditional structures of communities, and, more generally, which make up the social fabric; (c) transnational networks of drug trade and other illicit activities that offer high-income jobs to youths who would otherwise be excluded from the job market; (d) the "enablers" of crime such as drugs, alcohol, and above all, the availability of guns; and (e) the shortcomings of the governments and judicial systems, encumbered by inequality in access to legal mechanisms and corruption, leads to a sense of impunity, which serves as an incentive to commit crime. As the UNDP's points out in a regional report on public safety, the shortcomings of the State have greatly encouraged the growing privatisation of safety (despite its essential nature as a public good) that therefore became more expensive, ineffective and generates inequality.

From a perspective of human development and democratic governance, violence incurs very high costs. Direct economic costs have been consistently framed in terms of the excessive cost of security, reduction of GDP, or in the decreasing flows of investment. In 2010, according to the countries, the total cost fluctuated between 2.5% and 10% of GDP.⁴⁰ Perhaps more importantly is the cost to democracy and the application of human rights – a price much more difficult to quantify: it affects personal freedom; it damages the social fabric and the public space as area for cooperation, all of which are conducive to the improvement of quality of life; it increases inequality and social exclusion; and, as was pointed out, undermines the government mandate and damages the confidence in the rule of law, its commitment to the social contract and the legitimacy of its democracy. All of which give rise to eventual calls for heavy handed repressive policies that impinge on democratic rights.⁴¹ Public opinion polls have consistently shown the

³⁹ UNDP (2009). Informe sobre desarrollo humano para América Central 2009-2010. Abrir espacios a la seguridad ciudadana y el desarrollo humano. New York, UNDP; UNDP (2012), Caribbean Human Development Report 2012. Human development

⁴⁰ UNDP (2013), Informe regional de Desarrollo humano 2013-14. Seguridad ciudadana con rostro humano. Diagnóstico y propuestas para América Latina. New York, United Nations Development Programme (UNDP), p. 104.

⁴¹ Ibid, p. 93.

pertinence of these issues in relation citizens' concerns and demands in the societies of the region, and, as will be pointed out, especially in the emerging urban middle class.⁴²

There remain perspectives that insist that the main scope of violence is purely national and that its causes need to be addressed in a national framework, through which policies to deal with these issues need to be defined, in part because they are functional vis-à-vis party politics; and has been pointed out, some factors are exclusive to the regions (something which explains the virulence of the phenomena and the varying frequency of incidents from country to country). But when it comes to explaining violence, what cannot be ignored is its transnational nature and the commitment that must be shared by the developed countries and the EU itself, who is also implicated in the illicit trafficking of humans, arms and drugs.

Holding a dialogue and forging a more intense cooperation in this area is, therefore, imperative for the bi-regional partnership, and should not be focused in sectors, and, because of the sensitive nature of the subject, it should be approached with caution so as to avoid the perception of foreign intervention on matters which are at the core of each of the countries – this despite the translational nature of the issue. Therefore, this topic should be dealt within a framework open to dialogue and cooperation on democratic governance, effective citizenship, and the strengthening of the rule of law, without ignoring the important links between the public safety agenda and economic development, employment and social cohesion. In fact, the matter is becoming more and more a priority in the bi-regional dialogue, and, above all, in the cooperation for development in the EU, as disclosed and approved by the EU Council in July 2014 on the EU Strategy for Public Security in Central American, to be presented at the II EU-CELAC Summit.⁴³

THE SOCIAL AGENDA, THE EU-CELAC SUMMIT AND THE FUTURE OF BI-REGIONAL PROGRESS

As has been previously stated, bi-regional partnership needs to be “re-politicised” and must acquire a new strategic focus with an agenda centered upon inclusion, social cohesion, citizenship and democracy. Given the relevance of these issues for both regions, the II EU-CELAC Summit should give these issues in a place of prominence on the agenda. In terms of the legitimacy of this dialogue, it is hard to imagine this Summit on issues like the one that focused the previous Summit. Even though the theme chosen for the I Summit could have contributed directly or indirectly to promote the proposed new agenda, it

⁴² Rojas Aravena, F. et al. (2011), Análisis de casos nacionales sobre gobernabilidad y convivencia democrática, San José, FLACSO-SG; Lagos, M. y Damert, L. (2012), La seguridad ciudadana. El problema principal de América Latina. Santiago de Chile, Latinbarometer Corporation, May.

⁴³ Council of the European Union (2014), EU Strategy on Citizen Security in Central America and the Caribbean. Council Conclusions, 30 July; and la Comunicación conjunta de la Comisión y la Alta Representante de la Unión Europea para Política Exterior y de Seguridad Elements for an EU strategy on public security in Central America and the Caribbean, JOIN (2014) 21 final/2; 10108/1/14 REV1.

has not been perceived as such by the citizenship and the social actors relevant to the bi-regional partnership. An agenda of significance for the citizenship must be implemented, as well as clear political messages about the agenda for the benefit of public opinion, and concrete agreements apt for monitoring.

3 REGIONALISM, TRADE "MEGA-PARTNERSHIPS" AND BI-REGIONAL RELATIONSHIP

TWO REGIONS IN THE MIDST OF READJUSTMENT OF GLOBAL POLITICAL ECONOMICS

Several trends are converging on the global stage; therefore, both the EU and Latin America and the Caribbean will need to redefine and readjust their options in relation to integration and regionalism, their participation in international economic policies and their bi-regional relations. Some are long-standing – such as the process of trans-nationalisation of production and services through the proliferation of value chains, whose role is becoming more and more important in production, investment, innovation and global trade; as well as the shift of power and wealth to the Asia-Pacific region (which the OECD called “shifting wealth”), and the rise of emerging countries which runs parallel to the growing differentiation and heterogeneity that is observable in the “Global South”.⁴⁴

This process has produced visible changes in the structure of production and exports in both regions. For both the EU and Latin America and the Caribbean the traditional export destinations are reduced in importance – this includes trade between the regions; there is evidence of a decline in intra-regional trade. South-South trade emerges as a relevant trade phenomenon, and the importance of Asia grows, especially China, which affects the appeal of these associates in the economic relations of each region. Moreover, within the EU there is evidence of a rebalancing between core and periphery, as well as evidence of the decreasing economic influence in the EU internal market. This parallels the growth of market shares for emerging countries, and especially of the latter, in member states exports flows. Also, the crisis in Ukraine has once again highlighted the importance of energy in the external links with Eastern Europe.

⁴⁴ OECD (2010). Perspectives on Global Development 2010: Shifting Wealth. Paris, Development Centre, OECD; United Nations Development Programme (2013). El ascenso del Sur. Progreso humano en un mundo diverso. Informe sobre desarrollo humano 2013. New York, UNDP.

In the case of Latin America and the Caribbean, the rise of China as a trade partner in detriment of the United States or the EU, except in the case of Caribbean and Mexican exports to its northern neighbour, is very noticeable. There is also a large amount of foreign investment from China in different countries – particularly Brazil, Peru, Venezuela and Argentina – and sectors, such as fossil fuels, mining, finance and even automotive.

These changes, especially in South American economies, have led to the controversial process of “re-primarisation” that, even though it can sustain long-term growth, nevertheless increases its external vulnerability. Also, since they are based on agricultural exports and extractivism, it could also undermine policies for modernisation and diversification of production, which are necessary to shifting to a model for production that is less dependent on natural resources, and more on improved efficiency, added of technology and the capacity for innovation. On the other hand, this growth cycle, which seems to leave behind some of the more traditional development problems, poses new problems, typical of middle-income countries (MIC) and, particularly, in the so-called “middle-income traps”. Meanwhile, some of the smaller economies of the Caribbean continue to be trapped in a cycle of very little growth, high debt, vulnerability and increasing environmental risks given their propensity to natural disasters and climate change.

Additionally, Latin American and Caribbean companies have internationalised their operations, including productive investments in other countries, particularly in the EU. The internationalisation of enterprises, which includes SMEs – whether in transnational supply chains, or directly to consumers – is part of the process in the recent decades to open up trade, both at a multilateral level and at a bilateral/inter-regional level, within a context of the growing number of preferential trade agreements.

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Shifts in international political economy demand that both regions readjust their choices of integration and regionalism, international insertion, and bi-regional relations

In this context of change of the international system, Latin America and the Caribbean are going through a two-pronged process of differentiation and socio-economic growth. Led by regions such as Brazil, Colombia and Mexico, its political and economic clout is on the rise. These countries implement foreign policies that are more assertive and wider in scope, with new forms of regionalism and multilateralism that explicitly seek to establish the regions’ greater influence and autonomy in a world that is viewed as multi-polar. The emergence of spaces such as the G20, or reforms to international financial organisations, provides a window of opportunity for increase the regions’ influence within the global governance system. At the same time, new geopolitical alignments are sought to respond to obstacles for implementing these reforms – Security Council, voting power shares within the IMF – as well as multilateral negotiations such as the WTO, as evinced by the coming together of BRICs and other emerging countries.

DIFFERING VISIONS AND COMMON FRAMEWORKS BETWEEN LATIN AMERICAN REGIONALISM AND EUROPE

Both the EU and Latin America and the Caribbean are going through a period of discussion, crisis and revision of their policies on integration, cooperation and regional concerted action. In this revision, there are arguments and ideologies that criss-cross where inter-government logic has been received with different experiences within the region. In the EU in particular, the reconstruction of the Eurozone is based upon a new model of economic governance that looks

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The EU, Latin America and the Caribbean are all reexamining their integration, cooperation and regional concerted action experiences

to deepen the integration of Europe; this implies a process of handing over fiscal and budgetary sovereignty to common institutions. However, this also implies a broad revision of the balance of power between Member States, as well as in the relationship between the State, society and the markets, in which it would seem that the social and democratic dimensions of the European project are subordinate to the imperatives of globalisation.

Different trends can be seen regarding the integration of Latin American and the Caribbean into the international scene. It is worth noting the consolidation of an economic space that is more in sync with the global economy, which has been brought about through “South-North” trade agreements between the United States, the EU and Asian countries, as well as other agreements south of the continent that are oriented towards Mercosur and the gradual formation of a free trade area for South-America. Logically, such movements are in line with the “re-politicisation” of development strategies, regionalism and regional integration.⁴⁵ Within the regions there are different visions of economic development and regionalism: on one side are visions markedly liberal, represented by the Pacific Alliance, which updates the “hub-and-spoke” strategies and “open regionalism”; based on Free Trade Agreements (FTAs) with the United States and the EU, and with a definite orientation towards Asia-Pacific region, its aim is to situate its members in the global production chains that are based inside of this. On the other side, other countries maintain strategies based on the protection of the domestic market, such as those represented by Mercosur –wider and more politically active, incorporates Venezuela, and perhaps Bolivia and Ecuador. Finally, other countries have adopted strategies of a more sovereign and autonomous nature, with a stronger presence of public policy in the development of areas such as infrastructure and energy – this is the case of, for example, the “Alliance of the People” (Alianza del Pueblo) of ALBA-TCP. However, despite these differences, the majority of South-American countries have in common a marked orientation towards exporting commodities to Asia.

Despite these debates and diversity of options, Latin America and the Caribbean demonstrate a shared will for political consensus and a will to entrench their regional autonomy, at least at a political and regional level, as evinced by the emergence and development of Union of South

⁴⁵ Dabène, O. (2012): “Consistency and Resilience through cycles of repolitization”, P. Riggiozzi y D. Tussie, *The Rise of Post-hegemonic regionalism. The case of Latin America*. Londres, Springer, pp. 41-64.

American Nations (UNASUR) as well as the development of the more recent Community of Latin American and Caribbean States (CELAC), which tries to assume the role of common framework between every country – South American in one case, of the members of the region in the other – in order to reach a political consensus on crisis management, given that agendas for economic integration and development policies has been left in the margins.⁴⁶ This emphasis on regionalism thus seems to be limited to the political agendas and interregional relationships, especially in light of lack of coordination in their international participation, which continues to be channelled through bilateral mechanisms, especially in relation to the United States and China.⁴⁷

THE NEW “MEGA-REGIONALISM”: TENSIONS AMONG MULTILATERALISM, THE GOVERNANCE OF WORLDWIDE PRODUCTION AND TRADE

There is a growing tension between multilateralism and regionalism that is visible in the fragmentation of the multilateral system. This can be seen in finance through regional monetary and financial arrangements and parallel to the reforms of the Bretton Woods institutions, in the Bank of the South, or the Unitary System of Regional Compensation (SUCRE) in Latin America; the European Stability Mechanism (ESM) in the EU, or NDB and CRA in BRICs. It is also noticeable in global trade, with a growing number of agreements and negotiations with a regional scope that aspire to reach the status of WTO Plus.

This tension comes from, as was pointed out, the difficulties in reforming multilateral organisations as well as the obstacles in making significant advances towards the successful conclusion of the WTO Doha Round. Although it was suspended indefinitely in 2011, it motivated the search of alternative paths to the multilateral system. There is an observable will to underwrite new regional trade agreements or to broaden the existing agreements, deepening the traditional tendency towards a “regionalised globalisation” in which trade flows are more pronounced in countries that enjoy a preferential scheme. Without doubt, these confined commercial “clubs” could enable the expansion of trade and investment flows between its members, allowing for, depending on the circumstances, commitments negotiated outside and beyond the WTO. However, this implies obvious costs in terms of the fragmentation of global trade. As it is well known,

⁴⁶ Gardini, G. L. (2011). “Unity and Diversity in Latin American Visions of Regional Integration”, in G. L. Gardini and P. Lambert. *Latin American Foreign Policies: Between Ideology and Pragmatism*. Londres, Palgrave Macmillan, pp. 235-254; Riggiozzi, P. y Tussie, D. (eds.) (2012). *The rise of post-hegemonic regionalism. The case of Latin America*. Dordrecht, Springer, J. A. (2012). *Post-liberal Regionalism in South America: The Case of UNASUR*. Florencia, European University Institute, Robert Schuman Centre of Advanced Studies (RSCAS) working paper 2012/05; and Sanahuja, J.A. (2014). “Enfoques diferenciados y marcos comunes en el regionalismo latinoamericano: alcance y perspectivas de UNASUR y CELAC”, *Pensamiento Propio* n° 39, January-June. pp. 75-108; and Nolte, D. (2014), *Latin America’s New Regional Architecture: A Cooperative or Segmented Regional Governance Complex?*. Florencia, European University Institute, Robert Schuman Centre of Advanced Studies (RSCAS) working paper 2014/89.

⁴⁷ Jaramillo, G. (2014). “La integración en las políticas exteriores latinoamericanas: apuntes para el análisis”, in A. Bonilla y G. Jaramillo, *La CELAC en el escenario contemporáneo de América Latina y el Caribe*, San José: FLACSO /CAF, pp. 8-26.

the preferential terms and conditions generated by these agreements could be seen as discriminatory to third parties.

A new added dimension, which points to greater fragmentation of global trade, is the commencement of trade negotiations, which do not circumscribe geographical regions, considered as “mega-regional” or “mega-deals”.⁴⁸ Since the beginning of the current decade, and gathering momentum since 2013, the Regional Comprehensive Economic Partnership (RCEP)⁴⁹ and Trans-Pacific Partnership (TPP) are being negotiated,⁵⁰ as well as the Transatlantic Trade and Investment Partnership (TTIP) between the United States and the EU, which perhaps has the most potential to affect the bi-regional partnership.⁵¹ This deal is based on the dense network of interdependencies, trade and investment flows, and shared interests that are already in place in both sides of the North Atlantic. The negotiations for the TTIP began in 2013 and it is still difficult to foresee any future results given the complexity, broad coverage and political obstacles that could come about. The TTIP will be crucial for the future of world trade, not only for its effects on growth and trade. Amid the stalled WTO negotiations, the rules and regulations of the TTIP, in case it ever comes into play, would have a key role in the regulation for world trade beyond countries that are part of the same region.

The effects of TTIP, in particular, may be significant for Latin America and the Caribbean. Higher economic growth in the US and the EU would contribute to the increase of production and trade. According to the impact study conducted by the European Commission⁵², the net effect for the year 2027 would be an increase of between 0.7% and 1.4% of the aggregate GDP of all countries that are not part of the agreement.⁵³ However, other studies, such as the one commissioned by the Bertelsmann Foundation and conducted by the IFO Institute, note that in a scenario of profound liberalisation of trade, the effects on the diversion of trade would be very intense in relation to third-party countries, particularly damaging to BRICs.⁵⁴ Obviously, these negotiations erode the relevance of the WTO as a negotiating forum, regula-

⁴⁸ Aside from what is detailed in the text, a free trade agreement is negotiated with China, Japan and South Korea.

The EU has started talks with India and Japan, as well as, ASEAN.

⁴⁹ The RCEP includes the 10 member States of the Association of South East Asian Nations (ASEAN) in addition to Australia, India, New Zealand, China, Japan and South Korea. RCEP seeks to establish a free trade zone by late 2015.

⁵⁰ The TPP was initiated by Brunei, Chile, New Zealand, and Singapore. Since 2010, Australia, Canada, United States, Japan, Malaysia, Mexico, Peru and Vietnam have entered negotiations.

⁵¹ Rosales, O.; Herreros, S.; Frohmann, A. y García-Millán, T. (2013), Las negociaciones megarregionales: hacia una nueva gobernanza del comercio mundial. Santiago de Chile, CEPAL, serie comercio Internacional n° 121, LC/L.3710, December, p. 26.

⁵² See Francois, J. (Project leader) (2014), Reducing Transatlantic Barriers to Trade and Investment. An Economic Assessment. Final Report. London, Centre for Economic Policy Research (CEPR), March.

⁵³ Rosales et al. 2013, op. cit, p.20.

⁵⁴ Ferbelmayr, G.; Heyd, B.; and Lehwald, S. (2013), Transatlantic Trade and Investment Partnership (TTIP): Who benefits from a free trade deal? Vol. I. The Macroeconomic Effects, Gütersloh, Bertelsmann Stiftung, Global Economics Dynamics (GED) Project.

tory framework and conflict resolution body, given that this time around rules have been negotiated entirely outside the multilateral sphere, and negotiated between a limited number of countries. This scenario is very worrying for emerging and developing countries that would prefer to have available an independent system for resolving disputes and which is subject to predictable rules. It is ambitious to expect the Doha Round would be concluded at some point and the most plausible hypothesis seems to be that we are entering an era of commercial macro-agreements with weak multilateral disciplines and “private clubs” of preferential character and discriminatory actions towards others, not so much by means of tariffs, but by other non-tariff measures affecting trade flows and investment.⁵⁵

Perhaps it is the fear of the fragmentation of international trade and, to a greater extent, the WTO falling into irrelevance that would explain the reason behind the difficulties experienced for the trade facilitation agreement reached in December 2013 in Bali (Indonesia). This may be considered the first significant multilateral agreement on trade issues since 1995 and particularly since the launching of the Doha Round in 2001, until its final approval.

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For the EU, Latin America and the Caribbean commercial mega-agreements and new alignments have not only important economic but geopolitical implications

TRADE MEGA-DEALS: GEOPOLITICAL IMPLICATIONS

The implications of negotiating and implementing trade mega-deals are diverse and complex. Both the TPP and TTIP reflect objectives that go beyond trade and have clear geopolitical implications. These could be interpreted as a strategic response from the West, particularly the North-Atlantic area to the rise of emerging countries that have not been invited these trade talks. In a way, the TTIP traditional alignment between the United States and the EU reappears with regard to trade – the demands to open up markets in developing countries while protecting their own trade through technical barriers – with the difference that now it is happening outside of the WTO since emerging economies now have veto power within the WTO.

One possible repercussion of these deals, which would exclude the main emerging countries like China, India and Brazil, would be encouraging the finalisation of North-South agreements, which at present have stalled, such as the RCEP of the EU-Mercosur agreement, or, in the event that these become unfeasible because of resistance from one of the parties, its substitution with a bilateral EU-Brazil agreement. It could also encourage alignments between BRICS and emerging countries in the South as an alternative to the attempts to restore the political and/or economic hegemony of the North Atlantic area.

⁵⁵ Peña, F. (2014), “Fragmentación en las negociaciones comerciales. Los mega-acuerdos interregionales y su potencial impacto en la gobernanza global”. Carta mensual, marzo. Disponible en [<http://www.felixpena.com.ar>]. Véase también Sanahuja, J. A. et al. (2013), “Un sistema internacional en cambio: los retos de la gobernanza global”, en G. Fernández de Soto y P. Pérez Herrero (coords.), *América Latina: sociedad, economía y seguridad en un mundo global*. Madrid: Marcial Pons/IELAT/CAF-Banco de Desarrollo de América Latina, pp. 31-36, this text summarises the contributions by Felix Peña.

More pressingly, it is also eroding confidence between the EU and Latin America and the Caribbean because of the lack of information disclosed by the EU in relation to the TTIP, and by the Latin American countries implicated in the TTP, with regards to the scope and significance of these agreements vis-à-vis, above all, the Association Agreements, which seems to have been left in the back-burner in relation to “mega-regionalism”, and severely weaken the trade pillars of this bi-regional partnership. As was pointed out earlier, if these negotiations call into question the economic pillar that are central to the relationship between the EU and Latin America and the Caribbean, the level of cooperation and dialogue between the regions would be reduced. Therefore, what would be the strategic content and significance of the bi-regional relationship? If the TTIP does indeed materialise, then the importance of Latin America for the EU would be significantly reduced, and vice-versa. Perhaps the answer lies in the underlying issue of these geopolitical movements, that is, the loss of relevance of the EU with regard to the new Trans-Pacific axis, and the decreasing competitiveness of both the EU and Latin America and the Caribbean amid the rise of China and other emerging countries. This is why it is so important to the significance of the strategic association between the EU and Latin America and the Caribbean. This is the objective to which the Association Agreements has to contribute, as well as the bi-regional cooperation, in order to enable the development of value chains in which both regions should seek complementary production and technology.

In any event, success is not guaranteed in these mega-regional negotiations. Technical and political obstacles are great due to the complexity and the norms and standards on each side, culture and differing regulatory and legal practices in each region, growing resistance from social organisations and public opinion could potentially lead to the failure of these negotiations. Beyond the impact studies on the TTIP and the TTP, there are several possible scenarios that combine these negotiations with those taking place in the WTO. If the TTP and/or the TTIP agreements are signed, those excluded could de facto accept the new regulation, which would become “multilateralised” as a “WTO 2.0”, or they could remain in position of resistance and accept a world of closed trade “mega-blocs”. One other possible scenario is that Doha is finally resumed, in part because of the pressure exerted by the TTP and the TTIP on the reluctant parties in the negotiations, and in part, because of the changes that have taken place in the agricultural field of structural scope, that have significantly transformed the conditions for negotiations in this area. There would, moreover, exist a last possible scenario: if both mega-regional negotiations stall, there would be an opportunity to resume Doha and for searching solutions for the EU-Mercosur relationship. This would permit the preservation of the multilateral trade system and the network of the Association Agreements between the EU and Latin America and the Caribbean would recover its original relevance.

IMPACT AND SIGNIFICANCE FOR BI-REGIONAL RELATIONS

The countries involved in these mega-regional negotiations represent, as whole, around 70% of the trade of goods and services in Latin America and the Caribbean, both in terms of imports and exports. This is one of the main sources of FDI. Consequently, the negotiation of mega-deals could significantly affect the trade and investment flows in the region. Obviously, the specific im-

impact upon each country and sub-region would depend on the productive and export structure in conjunction with the strategies for integration into the global marketplace.⁵⁶ It is hard to estimate the precise impact of these agreements, given that it will depend on the scope of the final agreement. There are few impact assessments, but, as indicated earlier, even these show conflicting results: while the CEPR foresees that the TTIP will have a positive effect all around, the IFO Institute states that the current scenario of liberalisation would benefit the United States and the EU, but in the long run it would have a negative impact on almost all the countries in the world.

According to the ECLAC, the liberalisation of trade between the United States and the EU would negatively affect exchanges between them and Latin America and the Caribbean, as the EU and the United States would only trade amongst themselves. These consequences would be most by Latin American and Caribbean products that enter the European and/or United States market free of tariffs, as per the framework for free trade and the Generalised Scheme of Preferences (GSP).⁵⁷ The IFO study estimates that the impact of the TTIP, if it restricted itself to reduction of tariffs, would be limited in the short-term, although after 15-20 years it would impact the entire region negatively, and with a broader liberalisation, the countries most affected are the ones most closely related to the United States.

On the other hand, the coverage of these agreements extends to issues not normally linked to trade, such as environmental and labour norms in each country; the protection of intellectual property and personal information online; public companies or the monitoring of capital movements; and the possibility of applying control measures on capital, with more sophisticated standards that favour the performance of multinational companies, which could entail a loss of autonomy for the development policies for both participant countries and third parties, and particularly, for Latin America and the Caribbean, for whom the standards would be much demanding. In the EU especially, the TTIP has brought about a large debate on its implications on labour, environmental, and consumer protection practices; on economic practices protected for environmental, social or cultural reasons; on public health and education services provided by the State; and on the protection of personal data online, to cite a few of the more controversial aspects.

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Commercial mega-agreements have an impact on Association Agreements and demand an open and transparent dialogue over their implications and impacts

THE PACIFIC ALLIANCE AND MERCOSUR: OPTIONS AND ALTERNATIVES

For those countries that already have agreements with the EU and the United States, some of whom are part of the Pacific Alliance (PA), the TPP could stimulate European investment in order to improve their access to Asian markets, and it would also improve their integration in transpacific value chains. For the countries that are not member, the investment would be orien-

⁵⁶ BID-INTAL (2013), "Negociaciones de mega acuerdos: ¿Cómo influirán en América Latina?", Carta Mensual N°204, August.

⁵⁷ Rosales et al. (2013), op. cit. p. 20.

ted towards commodity exports. In any case and for every country, this situation demands active policies to foment investment and to improve productivity and competitiveness and to ensure that those investments meet social and environmental criteria.

The effects of the TTIP's trade diversion could have a negative impact on the region as a whole, notwithstanding its possibilities for integration.⁵⁸ But the signing of Association Agreements could mean a change in terms of regulations and standards. The countries of the PA and Central American countries could benefit from the TTIP through the integration of its exports into the transatlantic value chains, and in terms of regulations and standards, its national regulation is similar enough, thus the biggest challenge will be faced by the remaining countries.⁵⁹ All of this seems to be encouraging the countries and groups that do not have an Association Agreement, such as Ecuador and Mercosur, to reactivate negotiations with the EU.⁶⁰ Mexico, for its part, has proposed to expand and modernise their free trade agreement with the EU in order to ensure the consistency between norms contained in this agreement and those contained in the TTIP, and to clear the path for the implementation of this agreement. Given that the EU also seeks to negotiate a similar deal with Canada, in the medium-term this could lead to the emergence of an integrated transatlantic economic space that incorporates the three members of NAFTA. This would naturally imply contemplating the accumulation of rules of origin and complementing their rules, even though it must be noted that these would be very demanding.⁶¹

In the case of Mercosur, its complementary relationship with Asian countries, particularly China, is increasing.⁶² If the TPP and TTIP imply a reduction in the level of protection for agricultural products in the United States, the EU and Japan, there could be a convergence with Mercosur; but what could also happen is that these agreements, particularly the agricultural liberalisation, could result in a loss of market share of Mercosur, which ultimately carries the threat of their marginalisation from the new centres of global trade. Also, the incorporation to TPP of Latin American countries grouped together in the PA, would erode the preference for manufacture exports from Argentina and Brazil in the face of competition from Asia, and would also damage the process for consolidating the South American Free Trade Area.

Considering all of these reasons, the TTIP could prove to be a powerful incentive for closing the agreement between the EU and Mercosur. This situation would be greatly reinforced by the fact that starting in 2014, Argentina, Brazil, Uruguay and Venezuela are no longer beneficiaries of the EU's GSP. From Brazil and the EU, political and private sector actors have proposed diffe-

⁵⁸ See papers already cited by Francois, J. (Project leader) (2014), Reducing Transatlantic Barriers to Trade and Investment.

An Economic Assessment. Final Report. Londres, Center for Economic Policy Research (CEPR), marzo; y Ferbelmayr, G.;

Heyd, B.; y Lehwald, S. (2013), Transatlantic Trade and Investment Partnership (TTIP): Who benefits from a free trade deal?

Vol. I. The Macroeconomic Effects, Gütersloh, Bertelsmann Stiftung, Global Economics Dynamics (GED) Project.

⁵⁹ Rosales et al. (2013), op. cit. p. , 20.

⁶⁰ Levi, M. (2013), Ecuador-Unión Europea: lógicas de una negociación inconclusa, Quito, Ebert/ILDIS Foundation, September.

⁶¹ Rosales et al. (2013), op. cit., p. 48.

⁶² BID-INTAL (2013). "Aspectos salientes de los vínculos externos de los países del MERCOSUR", en: Carta Mensual N° 201, May

rent options to make progress in these inter-regional negotiations. If these is not possible from bloc to bloc, Mercosur could be “flexibilised” – in practice, its redefinition as a free trade zone, against its current status as customs union – in order to allow bilateral negotiations between interested parties and the EU.⁶³ This option, however, considers Mercosur in terms of production and trade, but does not realise that Mercosur is, above all, a guarantee for stability and peace in South America – as is the EU, beyond its economic content -, something which should be taken into account by those who would favour, form the EU or Mercosur, disbanding the latter and abandoning its legacy based on short-term trade interests.

It will be important for Latin America and Caribbean countries, using the current frameworks for regional and sub-regional concerted political action, to clearly identify their interests and objectives agendas for these negotiations, and it is also important that they design a strategy oriented towards making the Associations Agreements adhere to regulations and/or standards of the TTIP and the TTP, towards mitigating their negative impact and avoiding a situation where these regulations and standards obstruct the necessary space for development policies. These negotiations also call for national and regional agendas to focus more on competitiveness. There could be a renovated rationale for the South-South integration and cooperation that comes from this mega-regional phenomenon, something that happened previously in the “South-North” free trade agreements. Outside the possibility of opting for the liberal strategies adopted by the PA, or the “post-liberal” strategies adopted by Mercosur, regionalism and integration should be an instrument for active policies designed to improve the international competitiveness of the region, such as those related to regional infrastructure; enabling trade; and the regional policies to support innovation and training; the promotion of SMEs; and the generalisation of regional and sub-regional value chains. Nevertheless, these mega-deals present important challenges in terms of harmonising regulations, which the regional organisations are the appropriate devices.

⁶³ BID-INTAL (2013), “Negociaciones de mega acuerdos: ¿Cómo influirán en América Latina?”, Carta Mensual N°204, August

⁶⁴ Núñez, R. (2013). “¿Hacia dónde va Mercosur?”, Infolatam, 18 December

⁶⁵ Carrión, G. (2014), Transatlantic Trade and Investment Partnership between the European Union and the United States: Challenges and opportunities for bi-regional relations between the EU and Latin America and the Caribbean. Managua, FIDEG/ Nittlapán/EU-LAC Foundation.

4 GOVERNANCE OF GLOBAL DEVELOPMENT: CLIMATE CHANGE AND POST-2015 GOALS

LATIN AMERICA AND THE CARIBBEAN AND THE EU VIS-À-VIS THE GLOBAL GOVERNANCE OF SUSTAINABLE DEVELOPMENT: ENVIRONMENT, CLIMATE AND ENERGY

Latin America and the Caribbean are in something of a paradox in relation to environmental and energy issues: the region is a major player in biodiversity, conservation and climate change, but on the other hand, and as was pointed out earlier, the cycle of economic growth the region has seen in the last decade was based on an boom in the exportation of natural resources, which in turn led to a “re-commoditization” of the economies in the region – particularly in South America - and the emergence of a pattern of foreign investment, extrativist in nature, with considerable environmental, social and economic consequences. In general, these operations are characterised by their scant processing of natural resources and for negatively impacting on environmental sustainability.

The region often presents conflicting positions in terms of energy and the environment; its rich tradition for concerted political action, cooperation and regional integration does not necessarily apply to its involvement and its common policies in these aspects. On the multilateral level, there are countries that are more inclined to negotiate, cooperate and to participate in global environmental regimes. Other countries, however, are more inclined towards a “defensive multilateralism”, which makes them wary of international initiatives for an international watchdog or a reduced autonomy to drive environmental and developmental national policies.⁶⁶ This is how environmental and climate issues, particularly those affecting the Amazon, have been perceived. Mexico, for its part, has grown in influence and is now a leader and an arbitrator in the regional

⁶⁶ Klaveren. A. (2004). “Las relaciones políticas europeo-latinoamericanas. La necesidad de una sintonía más fina”, Nueva Sociedad, n° 189, pp. 54-68.

cooperation on environmental issues. The global debates on energy and the environment have been the ideal space for the consolidation of leadership among those countries that make up the ALBA-TCP, despite the fact that it is not a homogenous group. Some countries recently incorporated into the group have provided a fresh perspective on environmental issues and access to resources, with a greater relevance on ancestral visions and practices, something which may be viewed as contradicting the principles of development and the pattern of extractive production. Since Copenhagen, this group has continued to develop on their demanding stands an block-ages, but in a more constructive manner and open to integrating differences.

While there continue to be contrasting positions in negotiations and global debates within the region, this, for the moment, has not stymied a permanent dialogue on a regional and sub-regional level; there is also a widespread awareness of the importance of environmental issues in the development process, generation of wealth and social cohesion. The most closely aligned positions are those from countries that tend to match one another in terms of biodiversity and environmental issues, as is the case in the Mesoamerican region or in the Caribbean.

The EU, for its part, also poses a set of paradoxes and contradictions: it has been figured as a global leader in terms of environmental issues, especially in terms of climate change, promotion of renewable energy and clean technologies, yet it would have appeared to have become less relevant in relation to emergent and traditional actors – as evidenced by the Copenhagen Summit – and now faces serious internal problems when it comes to its leadership, its energy matrix, the role of renewable energies in the regularisation of the electric energy market and the evolution of the carbon market in the EU. Foreign Direct Investment (FDI) in the region includes companies as well as advanced technologies in environmental and energy issues, as well as those more traditionally extractive in nature that are harmful to the environment.

BI-REGIONAL DIALOGUE AND MULTILATERAL COOPERATION: TOWARD THE CLIMATE SUMMIT (2015)

Both regions have cooperated and maintained an open dialogue on environmental issues, more prominently on the bi-regional level than the multilateral. In the latter, there are challenges that also present themselves as opportunities to make EU-CELAC more important. In particular, the most pertinent global event is the 2015 Climate Summit, preceded by the publication of the Intergovernmental Panel's fifth evaluation report about climate change at the end of 2014. In the Declaration of Santiago in 2013, all of the EU and Latin American and Caribbean countries have publicly supported the commitment made by UNFCCC to reach an agreement by 2015 to adopt new legislation on Climate Change under the rules of the Convention. Both regions total 61 countries, which is roughly a third of all the countries that are members of the United Nations Framework Convention on Climate Change (UNFCCC), and 20% of the world's emissions. In terms of their responsibility and their political clout, its contribution towards this goal could be crucial. This process must also be seen in light of the negotiation process: the EU-CELAC member States will be in charge of organising the three Conference of Parties meetings convened before the 2015 deadline.⁶⁷

The COP20, celebrated in Lima in December 2014, has meant a step forward, although limited, in this process. It has led to a drafting of an agreement which must be finalised in COP21 in Paris in December 2015, though there are still many points of disagreement whose negotiation has been postponed until the this next conference. COP20 has also overseen an agreement on the Intended Nationally Determined Contributions (INDC) to reduce emissions, based on the principle of “Common but Differentiated Responsibilities and Respective Capabilities”, as a clear indication of the international nature of action against climate change, whilst at the same time, acknowledging the differences that exist in relation to the respective capabilities and responsibilities of each party. In the final results, the participation of the EU, Latin America and the Caribbean was important. Although the latter does not represent a unified position, a good number of countries in the region announced initiatives, including contributions to the Green Climate Fund, that mean a greater commitment to climate change. On the other hand, CELAC presented an encouraging joint declaration through its pro-tempore Presidency in favour of a binding agreement in the COP21.⁶⁸

The II EU-CELAC Summit, to be held, in Brussels 2015, will provide another opportunity to consolidate and foster bi-regional cooperation and diplomacy to deal with climate change in the months leading up to COP21 at the end of 2015, and in light of the commitment of the parties to formalise their contribution in March of this year. The EU-LAC relations also represent a large number of investments, trade and development cooperation, all of which carry significant import in relation to climate change. For both parties to work together in this aspect, it is necessary to adopt a global perspective that, without undermining each party’s respective responsibilities and needs, leaves behind the traditional North-South approach and accepts that all must make concessions.

The Climate Summit of Copenhagen in 2009 seems to point to the need for greater representation and legitimacy in the joint response to climate change. In this forum some countries

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The II EU-CELAC Summit is an opportunity to widen bi-regional cooperation in the run-up to the COP21 and the signing of a global Agreement on climate change

attempted to endow themselves with enough credibility to make decisions, with less than encouraging results. Recently, the conclusions reached by the 2012 Rio de Janeiro Summit on sustainable development – which had, among its priorities, strengthening the global governance of climate change – have not translated to progress; even though the International Renewable Energies Agency (IRENA), constituted in 2009, with its headquarters in Abu Dhabi, represents a new focus in the construction of an efficient multilateral governance that is representative of this aspect.

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⁶⁷ Poland organised COP19 in Warsaw in November, 2013; Perú organised COP20 in Lima in 2014; and France will organise COP21 in Paris in 2015.

⁶⁸ Guy Edwards y Timmon Roberts (2015), Latin American Countries at COP20: Reflections and Outlook for 2015, Washington, Brookings Institution, 8 January [Available at <http://www.brookings.edu/research/opinions/2015/01/08-latin-america-cop20--edwards-roberts>].

If political declarations seem to suggest that a common ground between the EU and Latin America and the Caribbean exists, the UNFCCC negotiations confirm that, depending on what stage the negotiations are in, both parties may work together or may take up different positions. After the tensions experienced in the Copenhagen process, the Mexico-led COP16 enjoyed broad support from both sides in what is considered the rescue of the multilateral regime on climate change. In COP17 in Durban, EU and Latin American and the Caribbean countries came together to unite in a key, decisive moment that would attempt to guarantee progress and the production of legally binding agreements by 2015, which would come into effect in 2020.⁶⁹

Climate diplomacy among EU and Latin American and Caribbean countries was developed through the Cartagena Dialogue for Progressive Action. This was an informal discussion forum created after COP15 in 2009, as a means to bridge the gap between developed and developing countries. The dialogue has been successful in the creation of an intermediary position for debate because it is inclusive, informal and flexible, and because it has enabled progress in negotiations that try to serve the collective aims of developed and developing countries.⁷⁰

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Both regions should work together to secure the success of the climate change goals within the new global, post-2015 development goals framework

Beyond the UNFCCC, both regions should adopt positions on the integration of global objectives for sustainable development, environmental conservation, and mitigation of, and adaptation to, climate change. All of these need to be seen within the framework of the post-MDG goals, which seek to overcome the separation and insufficient collaboration that has existed up to now where socioeconomic development and reduction of poverty are concerned.

No less important is the role that international development cooperation has had on environmental matters through the DCI and other more specific avenues, such as Eurosolar, and most recently, Euroclima. Environmental objectives can also be seen in the Latin American Investment Facility (LAIF), and in the loans the European Investment Bank (EIB) grants the regions.

On the other hand, as ECLAC has pointed out repeatedly, European investment continues to be the world leader in terms of environmental protection, climate change and corporate social responsibility. From that perspective, reinforcing alliances among the business community in Europe and Latin America is essential in contributing to the goals for growth with equity, and low-intensity competitiveness; it is this towards which Latin American and Caribbean should orient their public policies in the next few years.⁷¹

⁶⁹ Edwards, G. y Roberts, J. T. (2013), La UE y América Latina y el Caribe: ¿Preparando el camino para un nuevo acuerdo sobre el cambio climático en 2015?. Hamburg, EU-LAC Foundation.

⁷⁰ Edwards y Roberts (2013), op. cit.

⁷¹ ECLAC (2011), En busca de una asociación renovada entre América Latina y el Caribe y la Unión Europea, Santiago de Chile, ECLAC, p. 82.

European companies could contribute to this initiative by promoting the production and dissemination of new technologies, to mitigate the negative environmental externalities in global growth and to diversify sources of energies with unconventional renewable sources to achieve a greener economy.⁷²

COOPERATION POLICIES IN LATIN AMERICA AND THE CARIBBEAN: MDGS, GLOBAL RISKS AND MIDDLE-INCOME AGENDAS

In a context of fast and intense change in the global system, and global development agendas, Latin American and the Caribbean are faced with challenges to development more complex and varied, which do not correspond with the Millennium Development Goals (MDG) agenda as defined by the United Nations, which expires in 2015. As was stated, the positive results recorded by the majority of the countries seem to leave behind or at least decrease the importance of, traditional developmental problems for Latin America; instead, they seem to pose new challenges – closer to those of middle-income countries – such as the risk of middle-income traps, transnational problems, and global risks, such as financial stability, safe energy, climate change or food markets. These issues occupy different positions in the various national agendas, in foreign affairs and the cooperation priorities of each government.

The globalisation processes presumably places development processes in a framework that is increasingly transnational. This limits the scope of national policies for the reduction of poverty, socio-economic development, environmental sustainability and global risk management. Therefore, cooperation policies can no longer limit themselves to traditional international aid or the North-South relationship patterns on which they are largely based, and which transcends the mere transfer of resources of the North-South ODA and its agenda of effectiveness. This cooperation is based more on policies for global development than aid policies, and the latter, to be effective, must be repositioned in broader international cooperation frameworks with the capacity to mobilise collective action and ensure the provision of global and/or regional public goods. The same can be said about the emerging South-South cooperation of Latin America the Caribbean, who should position themselves in a multilateral framework and not just adhere to national and regional agendas, so that they can play a larger role in the global governance of development, as well as in the definition and attainment of the aims and objectives of sustainable development that will be defined from 2015 onwards, once the MDG cycle comes to a close.

Within this global policy for development, observing the principle of policy coherence – trade, agriculture, foreign investment, immigration, asylum, peace, security, and development aid – is one of the main challenges. Not only are national policies, internal actors, and endogenous dynamics that promote more coherent and effective plans for development relevant, international norms and standards that have been adopted in regional frameworks are also important. While national policies for cooperation and development adapt to these norms and standards – that

⁷² ECLAC (2012), *La Unión Europea y América Latina y el Caribe: Inversiones para el crecimiento, la inclusión social y la sostenibilidad ambiental*. Santiago de Chile, ECLAC, LC/L.3535, p. 152.

is, while they “regionalise” or “multilateralise” –, the policies, whether they are North-South, South-South, or triangular, should position themselves in frameworks for regional or global governance for development that promote coherence and effectiveness.

Given that a significant proportion of its population live in extreme poverty, the MDG and its aim to reduce poverty has been relevant to Latin America and the Caribbean. However, these aims were developed with low-income countries in mind (LIC), such as those in Africa or Asia. In Latin America, where poverty is not the consequence of a lack of resources, but of inequality and exclusion, weak institutions and the political economy of bad governance, which normally serve the traditional elite. As such, this agenda has been biased and limited.

The MDG agenda, on the other hand, highlights ODA transfers as a basic instrument for financing development and social investment. However, given that the majority of Latin American and Caribbean countries are in the middle-income bracket, the aid for sustainable social programmes has become less and less relevant. Obviously, this is not the case of the poorer countries; but most of the ones in the Low-Middle Income Countries (LMIC) bracket, and all of the countries that constitute the Upper Middle Income Countries (UMIC) group, can find other external sources of financing, and many have set in motion extensive social programmes financed with internal resources, in a way that redistribution and social investment are considered conjointly. Furthermore, the aid received by the region has often proved to be a (poor) substitute for extensive policies for cooperation in which trade, debt, transfer of technology or the rules that regulate Foreign Direct Investment (FDI) would be as important, if not more so, than the ODA.

Something similar can be said about the so-called “agenda for aid effectiveness”, put forward by the Declaration of Paris (2005) and the Accra Agenda for Action (2008). This agenda dealt with critical issues – avoidance of fragmentation of aid and the proliferation of donors by fomenting the ownership and leadership of the recipient country; better coordination of donors; more responsibility and accountability – yet its remit was mostly focused on ODA financial flows, and left out policy coherence for development on trade, debt, FDI, immigration and remittances, access to technology, policies on drugs and arms trafficking.

With this in mind, it is worthwhile to note once again the importance of the agendas for cooperation with middle-income countries that, in the face of a reductionist vision of the international objectives for development and the MDGs, would provide a new rationale for cooperation with the region, as well as provide a broader framework for debate on the aid effectiveness according to Paris and Accra. Particularly, it is pertinent to point out the areas of institution-building for social cohesion; broadening of the tax base; the improvement of efficiency and progressiveness of public spending and social policy; the policies for the creation of decent employment; the better capabilities for providing public goods (for example, citizen security); the policies that improve international linkages through regional integration; the policies to increase competitiveness and access to foreign markets, with a focus on sector-specific policies on infrastructure and energy, and especially, the improvement of productivity by means of transfer of technology, the integration of knowledge, and the bolstering of national mechanisms for R&D.

NEW APPROACHES IN THE EU: THE “PROGRAMME FOR CHANGE” AND THE “GRADUATION” OF THE MIC

Along with its Member States, the EU is, by a long margin, the most notable donor of ODA in Latin America and the Caribbean. The next few years, through the so-called “Programme for Change”, which is linked to the 2014-2020 budget cycle, the EU intends to focus its aid on a more reduced number of political priorities – democracy, human rights and “socially inclusive economic growth” – in the poorest countries and the “fragile States”, adapting aid to a world in which the economic growth of emerging countries situates them as “associates” in the endeavour to confront global challenges, and not in their traditional role as recipients of ODA. The aid will be channelled to the poorest countries – Sub-Saharan Africa in particular – and the area surrounding the Mediterranean where the “Arab Springs” poses new challenges for the EU.

The new Development Cooperation Instrument (DCI) of the European Commission is proposing suppressing bilateral aid to 19 middle-high income countries, of which 11 are from Latin America and the Caribbean. This would only leave 6 countries as recipients of bi-lateral aid. As such, LAC is the region that will experience the most significant shift in status in the EU’s cooperation, since the only remaining eligible countries would be Bolivia, Guatemala, Honduras, El Salvador, Nicaragua and Paraguay. Additionally, the new regulations for the Generalised Scheme of Preferences (GSP) would focus on the poorest countries. Along with countries like Mexico and Chile, who will benefit from a different regime in its association agreements with the EU, 2014 will mark the removal of the following countries as GSP beneficiaries: Argentina, Brazil, Cuba, Uruguay and Venezuela.

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There exists an unfulfilled demand of EU cooperation in the field of competitiveness policies. For instance, infrastructure, renewable energies, environmental technologies, science, technology, or higher education

The drastic reduction in aid from the EU to Latin America and the Caribbean is most visible when analysing the distribution of resources that is contemplated in the long-term financial plan for 2014-2020 for external action. The countries that have “graduated” as recipients of aid can now get involved in regional programmes related to global risks, and will continue to benefit from the “local authorities and civil society” programme and mechanisms for democracy and human rights, which are open to all developing countries. However, the graduated countries will be excluded from the IDC, the instrument with more resources, and would only be subject to bilateral programmes through the “Instrument for Association”, which only represents around 1% of the total resources and that, as the Commission points out, its primary aim is to promote the interests of the EU, and not the international development goals.

The proposal by the European Commission has been subject to objections, from Latin America, especially by some middle-high income countries (MHICs) that will “graduate”, though others have welcomed it without issue, and value it as a symbol of their new international identity as “emerging countries”. With approximately €750m annually, the actual aid from EU institutions

is small in relation to other financial resources for development to which the region has access, which moreover is going through a boom in commodity exports. However, that these funds are not essential does not mean that there is not a high level of “unfulfilled demands” of the EU cooperation in the areas of promoting investment in infrastructure, renewable energies, environmental technologies or higher education.

Perhaps what is needed is a type of advanced cooperation that permits the consolidation of progress in order to face the current challenges in the fields of institution-building, governance, global risk management, and knowledge and technology. The criteria instilled to limit aid are very limited; they still cover up existing issues in inequality and do not consider factors and risks in the vulnerability of the region or other adverse factors in the face of a cycle of change. In a way, a focus in the bare minimums for MIC countries has been adopted, in which financial instruments to support the fight against poverty and inequality and other objectives for social cohesion are rejected, which in turn, could condition the credibility and effectiveness of the political dialogue on this topic, which is of great relevance in the “Strategic bi-regional association”.

Despite these shortcomings, the “Programme for Change” offers other significant opportunities through new regional programmes that are to be implemented. These can redirect EU cooperation toward newer priorities, more relevant to MICs in Latin America and the Caribbean: to confront together the global risks and improve the provision of global public goods (environment, climate change, energy, immigration or agriculture); to improve the link between security and state fragility; R&D policies, and particularly, the formation of a Euro-Latin American space for knowledge and higher education; and to foment social cohesion and support regional integration and regionalism.

THE RISE OF SOUTH-SOUTH COOPERATION IN LATIN AMERICA: NEW AGENTS AND INSTRUMENTS

Given that South-South cooperation does not form part of the DAC, and given that there is no CSS system for statistics, it is difficult to estimate the importance of CSS in relation to North-South flows. According to the United Nations, it could be around 15 billion dollars – that is to say, between 12% and 15% of the ODA of the members of DAC -, although this figure probable overestimates its magnitude and must be interpreted in the context of rapid growth.⁷³ But the relevance of the CSS does not change depending on the amount of resources it mobilises, which is still a way off the ODA of DAC countries. It is, above all, a mechanism for political solidarity to cement new coalitions between emerging and developing countries; as well as an instrument to lay the foundations for the discursive transformation of the international identities for these emerging countries, leaving behind their status as dependent poor countries and becoming rising powers and global actors, in some cases, in response to aspirations to be leaders of the “Global South”, and, in others as a way of approaching the “North” and its international status.

⁷³ United Nations (2010). Development Cooperation: maximizing Results for the MDGs. International Development Cooperation Report, New York, United Nations, DESA ST/ESA/326, p. xvii.

Within this logic of self-legitimation, the North-South cooperation and its declared objectives in the fight against poverty are often questioned, alleging – and EU operations justify their being questioned – that in reality, European aid is a response to high foreign policy interests. In part, this discursive critique comes from the need to legitimise a CSS that also has an expressed interest in *realpolitik*; the reality, however, is that this critique erodes the EU's discourse, which is no less self-legitimising, as the largest donor in the world, and as its influence and appeal as a “normative power” based on values and visions of development that are eminently “European”.

In Latin America and the Caribbean, South-South cooperation, which is growing in influence, has gone through a period of rapid growth both in shares and resources mobilised. The General Ibero-American Secretariat (Secretaría General Iberoamericana -SEGIB-), which provides the most complete information on this issue, compiles activities but does not have information regarding the mobilisation of resources, which is down to the lack of common criteria for its measurement. According to its annual report, between 2006 and 2009, there were more than 3,000 activities of the South-South cooperation between Latin American and Caribbean countries. On average, more than 600 transactions are carried out every year. Those main providers of activities in the South-South cooperation, by order of importance, are Cuba, Argentina, Mexico, Brazil, Venezuela, Chile and Colombia. The main recipients of activities were Venezuela – which is explained by the intense exchange flow with Cuba – Paraguay, El Salvador, Bolivia and Cuba. This reality manifests the regions' will and capacity to contribute to the MDGs and international goals for development, as well as to contribute to the provision of regional and international public goods.

Regional concerted action on matters of South-South cooperation within the framework of CELAC has been established by a set of general political principles. These principles have been adopted following the Special Declaration on International Cooperation in the CELAC Summit in Havana, and the subsequent “Framework for Development Cooperation”, adopted in July 2014. This declaration, in particular, underscores the importance that South-South cooperation has, but also points out that it could never replace ODA or North-South cooperation.

The positive impact of some of the South-South cooperation programmes is outside of this discussion. There is no doubt that there are many advantages in terms of ownership, legitimacy, and cost-benefit relation. However, many of the criticisms that are rightly aimed at the North-South cooperation for responding to interests that are not explicitly expressed in its foreign policy, could also be levelled at the South-South cooperation. Therefore, even if it is conceived of as a mechanism for political solidarity, instead of as cooperation for development in accordance with conventional parameters, the South-South cooperation in Latin America and the Caribbean must also become more multilateral in order to be better oriented towards the internationally-agreed objectives for development, without eluding the demands for effectiveness, responsibility, accountability and transparency in all public policies that the South-South cooperation must meet, as a basic democratic responsibility and in order to gain legitimacy in the debate for reforms to the global governance system for aid. In this context, on the EU's side, it is also necessary to improve its understanding of this phenomenon and to adopt adequate models for collaboration through a triangular cooperation.

BEYOND 2015: THE EU AND LATIN AMERICA AND THE CARIBBEAN FACING THE GLOBAL, POST-MDG AGENDA⁷⁴

The current debate on the future of international cooperation and development aid beyond 2015 has three main foci: (1) a minimalist focus, which could be denominated as “MDG-redux” for the continuity of the MDGs, which would limit itself to the objectives of reducing poverty and hunger, and to basic social needs, giving priority to the poorest countries in Sub-Saharan Africa and South/Southeast Asia. Many EU Member States prefer this focus that, partly reflected in the “Programme for Change”, does not adequately address the problems of non-extreme poverty and inequality, or the MICs in Latin America. A “securitised” focus on aid, based on the fragile States and in the fight against organised transnational crime, transnational terrorism, migration control and which only includes Haiti, Guatemala or Honduras; and a broad agenda on effective development, which could be termed “Global Alliance for Development”. This agenda follows in the footsteps of the Declaration of Busan in 2011, along with other proposals developed by the United Nations, and the G-20 agenda on development. As well as focusing on aid, it would also allow for better regulation of investments, trade, immigration, transference of technology, global risk management, an adequate provision of global public goods, and a more representative and inclusive system of governance that could legitimise international cooperation for development. Along with extreme poverty, it would also address the persistent non-extreme poverty problems, inequality and exclusion, viewed through the prism of a social cohesion that conflates social policy agendas with citizen rights and democratic governance agendas. This agenda does not exclude, but rather positions the preceding two in broader foci. In this latter focus of the “Association for Global Development”, Latin America and the Caribbean, as well as its cooperation and political consensus mechanisms, from CAF - Latin American Development Bank or ECLAC, to CELAC and Unasur, as well as the EU-CELAC Summits, could gain a more prominent role. Therefore, this broad agenda for cooperation could be conceived as a Latin American and Caribbean space for concerted action, which, in fact, is one of the priorities of the 2014 pro tempore CELAC Presidency. Similarly, the bi-regional strategic association, as was pointed out, can be figured as an “alliance for development” and it could take the international objectives as one its long-term strategic outlooks, situating its mechanisms and cooperation and aid programmes in a multilateral framework, whether it is the traditional North-South, or in the new South-South Cooperation, or whichever frameworks can be advanced through the triangular cooperation.

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The bi-regional Strategic Association could be framed as an “association for development” with not only regional but global goals

⁷⁴ Sanahuja, J. A. (2013a), “América Latina, más allá de 2015: escenarios del desarrollo global y las políticas de cooperación internacional”, en Arriola, S.; Garranzo, R. y Ruiz Jiménez, L. (Coords.), *La Renovación de la Cooperación Iberoamericana. Transformaciones para una agenda post-2015*, Madrid, AECID-SEGIB, pp. 41-67; y Sanahuja, J. A. (2013b), *Las nuevas geografías de la pobreza y la desigualdad y las metas de desarrollo global post-2015*, en Mesa, M. (coord.), *El reto de la democracia en un mundo en cambio: respuestas políticas y sociales. Anuario CEIPAZ 2013-14*, Madrid, CEIPAZ, pp. 61-100

ANNEX: PARTICIPANTS IN THE REFLECTION FORUMS

According to the Chatham House Rule, comments and contributions of individuals in these forums have not been identified. In no way can any of these people be held responsible for the content of this document, nor are these contents representative of their institutions or the EU-LAC Foundation.

I FORUM (Brussels, Belgium, 4 April, 2014, 9 to 17 hours)

GUESTS INVITED

Abruzzini, Arnaldo – *Secretary General, Eurochambres*

Appelgren, Carlos – *Chilean Ambassador, Brussels*

Barrouin Machado, Vera – *Brazilian Ambassador, Brussels*

Cancela, Walter – *Uruguayan Ambassador, Brussels*

Daag, Susanna – *Executive Secretariat, Copenhagen Initiative for Central America and Mexico*

Gómez Camacho, Juan José – *Mexican Ambassador, Brussels*

Hippolyte-Bauwens, Paula – *First Secretary-Charge d’Affairs, OECS Embassy, Brussels*

Ishmael, Len – *OECS Ambassador, Brussels*

Neisinger, Thomas – *Director for Latin America and the Caribbean, Federal Ministry of Foreign Affairs, Germany*

Rivera, Rodrigo – *Colombian Ambassador, Brussels*

Schäfer, Roland – *Director for the Americas- European External Action Service – (EEAS)*

FOR THE EU-LAC FOUNDATION

Sanahuja, José Antonio – *Consultant Process of Reflection, EU-LAC Foundation*

Trueb, Bettina – *Coordinator Explore Programme, EU-LAC Foundation*

Valdez, Jorge – *Executive Director, EU-LAC Foundation*

II FORUM (Co-organized in conjunction with Universidad para la Paz, Costa Rica) (Ciudad Colón, Costa Rica, 15 May 2014, 9 to 18 hours)

GUESTS INVITED

Aguilar-Urbina, Francisco – *Legal and Institutional Dean UPAZ*

Bonilla, Adrián⁷⁵ – *Secretary General, Facultad Latinoamericana de Ciencias Sociales (FLACSO)*

⁷⁵ Adrián Bonilla could not attend the Forum, but his points of view were submitted by means of a video conference on 20 May.

Domínguez, Roberto – *Professor, Suffolk University*
Gabrieloni, Marta – *Under-Secretary for Latin American Policy, Ministry of Foreign Affairs and Worship (Argentina)*
Gomes Saraiva, Miriam – *Faculty Foreign Affairs, Río de Janeiro State University*
Guardia, Diana – *Researcher, Universidad para la Paz*
Jacome, Francine – *Director, Instituto Venezolano de Estudios Sociales y Políticos (INVESP)*
Maihold, Gunther – *Sub-director, German Institute for International and Security Affairs (SWP). Professor, Cátedra Guillermo y Alejandro de Humboldt, College of Mexico.*
Mohammed, Debbie – *Professor, Institute of Foreign Affairs, University of West Indies (UWI), Trinidad and Tobago*
Ortiz, María Salvadora – *Director of External Relations Secretaría General Iberoamericana (SEGIB)*
Rojas Aravena, Francisco – *Rector, Universidad de la Paz en Costa Rica*
Tonutti, Vittorio – *Former Chief for the Unit of Regional Programmes with Latin America and the Caribbean, Directorate-General for Development and Cooperation– EuropeAid*
Úbeda, Gioconda – *Ministry of Foreign Affairs, Costa Rica*

FOR THE EU-LAC FOUNDATION

Fuentes, Dilia – *Chief of Administration, EU-LAC Foundation*
Sanahuja, José Antonio – *Consultant Process of Reflection, EU-LAC Foundation*
Valdez, Jorge – *Executive Director, EU-LAC Foundation*

III FORUM (Hamburg, Germany, 4 June 2014, 9:30 to 18 hours)

GUESTS INVITED

Buck, Karl – *Former Chief for the Latin America Region, EU Council*
Biato, Marcel Fortuna – *Ministry of Foreign Affairs, Brazil*
Carrión, Francisco – *Former Minister of Foreign Affairs in Ecuador, Former Ambassador of Ecuador to Spain, and Professor of International Relations – FLACSO*
Caruz, Vicente – *President, Eurochile*
Duplá, Tomás – *Former Director for the Americas, European External Action Service (EEAS)*
Gelabert, Rafael – *Former Chief of Unit on Horizontal Issues in the Americas, European External Action Service – (EEAS)*
Gilbert-Roberts, Marcia – *Former Jamaican Ambassador to the EU*
Wille, Andreas – *Representative Friedrich Ebert Foundation*

FOR THE EU-LAC FOUNDATION

Bettina Trueb – *Coordinator Explore Programme, EU-LAC Foundation*
Sanahuja, José Antonio – *Consultant Process of Reflection, EU-LAC Foundation*
Valdez, Jorge – *Executive Director, EU-LAC Foundation*

IV FORUM (Paris, France, 1 July 2014, 9:30 to 18 hours)

GUESTS INVITED

Bárcena, Alicia – Executive Secretary, United Nations Economic Commission for Latin America and the Caribbean (ECLAC)

Born, Wolf-Ruthart – Former Secretary of State, Germany

De La Iglesia, Juan Pablo – Former Secretary of State for Ibero-America, Spain

Di Santo, Donato – Former Secretary of State, Italy

Joulia, Jean Paul – European Commission, DevCo, Director, Regional Programmes for Latin America (DevCo H1)

Peña, Félix – Universidad Nacional Tres de Febrero (UNTREF) / ICBC Foundation, Argentina

Rouquié, Alan – President, Maison de l'Amérique latine

Wagner, Allan – Former Minister of Foreign Relations, Peru

FOR THE EU-LAC FOUNDATION

Ferrero-Waldner, Benita – President, EU-LAC Foundation

Valdez, Jorge – Executive Director, EU-LAC Foundation

Sanahuja, José Antonio – Consultant Process of Reflection, EU-LAC Foundation

Trueb, Bettina – Coordinator Explore Programme, EU-LAC Foundation

V FORUM (San José, Costa Rica, Saturday, 29 November 2014, 9:30 to 13:00 hours)⁷⁶

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Aguilera Caló, Claudia – Director of Regional Affairs, Ministry of Foreign Affairs, Paraguay

Amador, Raynieri David – Embassy of Honduras in Costa Rica

Andía, Marcela – Embassy of Peru in Brussels

Arenas Neira, Héctor – Ambassador/Coordinator of Integration Mechanisms, Ministry of Foreign Affairs, Colombia

Arredondo, Luz Divina – Advisor to the Embassy of Panama in Costa Rica

Bacsi Szabs, Edit – General Director for Latin America and the Caribbean, Ministry of Foreign Affairs, Hungary

Bastelica, Philippe – Counsellor for Latin America and the Caribbean, France

Bäumberg, Ana Sofía – Programme Coordinator, EU-LAC Foundation

Bechny, Pavel – Deputy Director of the Americas, Ministry of Foreign Affairs, Czech Republic

Bniz, José – General Director for Foreign Affairs, Ministry of Foreign Affairs, Guatemala

Cadett, Marsha Andrea – National Coordinator, Ministry of Foreign Affairs Guyana

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⁷⁶ We would like to thank the Costa Rica Pro-Tempore Presidency of CELAC for providing us with the list of participants to the V Forum as well as their support in its organization.

Castro Guevara, Nirsia – *Chargé d’Affaires, Cuba*

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Enrique Colodro, José – *Chargé d’Affaires, Embassy of Bolivia in Costa Rica*

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Dellepiane, Cristian – *Delegate, National Coordination Office, Ministry of Foreign Affairs, Argentina*

Díaz-Rato, Aurora – *Permanent Representation of Spain to the EU*

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Godoy, Lilian – *Director of Multilateral Affairs, Ministry of Foreign Affairs, El Salvador*

González, Miguel Angel – *Ambassador of Chile to Costa Rica*

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Hoffman, Bert – *General Secretariat of the Council of the EU*

Joulia, Jean Paul – *Head of Unit, European Commission, DG, Europe Aid*

Kolmanic, Vladimir – *Embassy of Slovenia to the USA*

Lara Bueso, Juan Alberto – *Ambassador of Honduras to Costa Rica*

Lorenzana, José Antonio – *Deputy National Coordinator, Honduras Rica*

Lovén, Jonas – *Director General, Department of the Americas, Sweden*

Luotonen, Kim – *Ambassador to CARICOM, OECS*

Marcinkevicius, Gytis – *Latin America, Africa, Asia and Oceania, MFA, Lithuania*

Marciulionyte, Ina – *Director of Latin America, Africa, Asia and Oceania, MFA, Lithuania*

Martínez Prada, José Luis – *Chargé des Affaires in Costa Rica for the EU*

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Murdoch, Colin – *Deputy Minister, Ministry of Foreign Affairs, Antigua and Barbuda*

Murray, Nicola – *Policy Officer, Regional Affairs Division, European External Action Service (EEAS)*

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Rodríguez Delgado, Marcela – *Embassy of Paraguay in Costa Rica*

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Rojas Aravena, Francisco – *Rector, Universidad de la Paz en Costa Rica*

Rojas Martínez, Luis – *First Secretary, Embassy of Bolivia in Brussels*

Ronquillo, Cristina – *Ambassador of Peru to Brussels*

Rosado, Alexis – *Ambassador of Belize to Guatemala*

Rudgas-Cezaire, Roselyn – *Senior Assistant Secretary, MFA, Bahamas*

Sanahuja, José Antonio – *Consultant Process of Reflection, EU-LAC Foundation*

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Serrano Ocampo, Mariana del Cisne – *Head of Cabinet to the North America and Europe Sub-secretariat, Ministry of Foreign Affairs, Ecuador*

Silva, María Dulce – *Ambassador of Brazil to Costa Rica*

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Zischg, Robert – *Head of Department of the Americas, MFA Austria*

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Ayuso, Anna

Buck, Karl

Crespo Romero, Fernando A.

Diamint, Rut

Duarte, Jennifer

Duplá, Tomás

Guerra, Alejandra

Guy, Henry

Montalvo Gómez, Miguel ángel

Surasky, Javier

Tassara, Carlo

Villamar, Zirahuen

Zerka, Pawel

And other anonymous commentators

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