



EU-LAC webinar:

"Why should the European Union be relevant to Latin America and the Caribbean?"

On 2 September 2020, the webinar "Why should the European Union be relevant to Latin America and the Caribbean" took place. The webinar was co-organised by the European Union-Latin America and the Caribbean International Foundation (EU-LAC Foundation) and the Regional Coordination of Economic and Social Research (CRIES) in Argentina.

The panel was represented by Dr. Adrián Bonilla, from the EU-LAC Foundation; Dr. Anna Ayuso, from the Barcelona Centre for International Affairs - CIDOB (Spain); Dr. Carlos Quenan, from the Institut des Amériques (France); Marisa Bircher, from the Argentina Global Foundation (Argentina); and Dr. Susanne Gratius, from the Universidad Autónoma de Madrid (Spain). The event was moderated by Dr. Andrés Serbin and Dr. Andrei Serbin Pont from the Regional Coordination of Economic and Social Research (CRIES).

The *raison d'être* of the webinar was to update and discuss the EU-LAC Foundation's publication of the same name¹, which was launched through a project coordinated by CIDOB and the German Institute for Global and Area Studies (GIGA) in 2018. Thus, the webinar was organised around a series of questions related to the publication.

In his opening greeting and commentary, Dr. Andrés Serbin emphasised the opportunity to discuss and comment on the report from 2018. He furthermore highlighted its interregional nature, which has allowed three institutions from two different regions to collaborate in its preparation, and underlined two points: i. The fundamental importance of having a plurality of views on how to address the issue of the European Union's relevance to Latin America (LA), and ii. The relevance of the debate, given that some of the issues identified in the publication were further consolidated and deepened.

¹ Available on the [website](#) of the EU-LAC Foundation

How can we describe the evolution of the bi-regional relationship over the last two decades?

In response to this question, Dr. Adrián Bonilla presented 3 of the strategic scenarios and axes, mentioned in the report, and explained how these scenarios could be formulated and visualised.

The first of the three scenarios is rather pessimistic, resulting in the decline of the Euro - Latin American and Caribbean relationship, based on an analysis of the axes of the economy, defence, development, science, migration and human rights. The second scenario refers to selective or "à la carte" interregionalism, with issues on which progress would be possible and others that would be subject to stagnation. The third scenario explores the global strategic partnership, which would be so strong that the bi-regional relationship would become a strategic platform with global influence. However, any trend that might have been envisioned in recent years has been dramatically transformed by the COVID19 pandemic.

The Director of the EU-LAC Foundation provided some examples in light of the current context. Economically, the central themes of analysis focused on international trade and the capacity or not to flexibilise rules that allow for better exchange between regions. Nevertheless, the current context implies a global recession resulting in the contraction of all economies in the world, in some cases with more dramatic effects, like for regions such as Latin America and the Caribbean (LAC).

Regarding security and defence, Dr. Bonilla suggested the possibility of the creation of new autonomous regimes. Furthermore, the process of institutionalising intergovernmental relations to regulate security and defence issues and to provide responses to possible challenges or threats has been stagnating.

As Dr. Bonilla pointed out, there has been no progress regarding development either. The Economic Commission for Latin America and the Caribbean (ECLAC) together with the Organisation for Economic Co-operation and Development (OECD) issued a report in 2019, raising a series of assumptions about the transformation of the logic of international co-operation. However, several of these assumptions, including the improvement of LA indicators, have not been fulfilled as planned and will not be achieved in the light of the current economic crisis.

In the field of science, limitations remain given the enormous heterogeneity of actors, especially in civil society, the different regulatory systems in universities, but also the dissatisfaction of various kinds.

For Dr. Bonilla, it is difficult to choose one of these scenarios given that the pandemic significantly alters all previous assumptions. The current situation can neither be described as a scenario of decline nor would it be accurate to suggest an optimistic scenario in which the bi-regional relationship could function as a platform for a global launch. Instead, Dr. Bonilla concludes that the bi-regional partnership is currently stagnating. Therefore, one of the challenges we face at present is to give continuity to the highly interesting work carried out by the three institutions in order to revisit the strategic axes and re-imagine scenarios in quite different circumstances.

What is the significance of the milestone of the EU-Mercosur Agreement in the history of relations between the two regions?

Marisa Bircher stated that the agreement is of great importance due to its regional and global scope, considering that the two regions account for over 750 million inhabitants/consumers and almost 24% of the world's GDP between the two blocs.

Although the process of negotiating the agreement took more than twenty years, the two blocks eventually came to a consensus. However, it should be kept in mind that ratification is still pending in the respective congresses and parliaments, Bircher warned. One area that is currently being monitored and discussed in both regions, mainly in the European Union, is environmental and also agricultural concerns. Fundación Argentina Global believes that the agreement will have a positive impact on development in Latin America. The effects will be felt directly in the members of Mercosur and also indirectly in the other countries of the region. In the current global situation, the underlying message of the agreement - a multilateral trade and cooperation system and political relations - is transcendental.

Bircher also emphasised the impossibility to predict what may happen in 2021, yet it can be anticipated that bi-regional relations will be restructured. That being the case, the agreement has the potential to strengthen the export indicators of Mercosur countries, while also revealing the importance of the region.

What are the European Union's comparative advantages for LA compared to other external actors?

Dr. Susanne Gratius began her presentation by stating that it is possible to be optimistic about the role of the EU in this crisis, which, through its actions, has provided an example of the functionality of regionalism through the Covid structural fund, which has been allocated 750 billion euros for its Member States. Dr. Gratius supported this statement with some comparative advantages of the EU vis-à-vis other global actors, especially in the light of the pandemic and its effects: the Union is a normative actor with shared values and relatively well functioning public health systems. The EU is not a unitary but a multilevel actor, both in its structure and governance, as it has a parliament and different specialised institutions and 27 Member States. She furthermore mentioned the need to recover its *soft power*² during the crisis, namely its influence in other regions and in particular on how the EU is perceived and the resulting implications for the bi-regional relationship.

Regarding the latter, Dr. Gratius stated that Latin American and Caribbean regionalism could be strengthened by interregionalism with the European Union, for instance in the relations between the EU and MERCOSUR. She explained that, in this context, the US and China are nation-states and therefore more focused on "national interests", as evidenced in various publications by Dr. Andrés Serbin. Accordingly, both the US and China have a less horizontal foreign policy and are not consensus-seeking actors, nor do they tend to base their actions on values. Therefore, having the EU as an ally translates into a commitment to social cohesion, regionalism and global governance. Likewise, the institution's commitment to climate change and human security is equally important.

On the other hand, when assessing the advantage of LAC for the EU, the Executive Director of the EU-LAC Foundation pointed out several issues in which the two regions are strategically relevant to each other. According to Dr. Bonilla, prior to any analysis, the current world order has to be taken into account, keeping in mind that there are two centres of power emerging in the world. The first being in the North Atlantic, built after the Second World War, and the second, located in the Pacific, which is of similar economic and political importance to the Atlantic centre. In addition, there are trends towards autarchy, whose probably most prominent example is Washington's foreign policy, which over the past three and a half years has been characterised by its heterodoxy with respect to itself and its history.

² See Nye, J. (1990). *Soft Power*. *Foreign Policy*, (80), 153-171. doi:10.2307/1148580

For Dr. Bonilla, a liberal international order - understanding liberalism in both the political and free trade order - does not reflect today's reality, as the international order is capitalist yet not necessarily liberal. While there are new emerging actors, several actors that were emerging in the past decade have now come to a standstill. Perhaps the most important example is that of the BRICS, understood as a community, whose emergence has not been as rapid as was assumed ten years ago. Undoubtedly, China is a central actor in the contemporary world, as is Russia (in a different dimension), yet those countries considered to be the new centres, or potential mediums such as Turkey or Iran, did not actually follow suit.

Looking at the bi-regional relationship, the EU remains the main investor in LAC, and therefore an important trading partner. In the case of several Southern Cone countries, the EU is one of the most important. It is also worth noting that the Latin American states were historically built in the image and resemblance of Europe. Therefore, for the third scenario to occur, namely that of a global balance and a remarkable community of visions, the European Union is very relevant for LAC. However, as LAC is also extraordinarily important for the EU:

*"Looking at the long term, I would say that there is no better strategic partner for the EU - and this includes the economy, politics and culture - than Latin America and the Caribbean. There is undoubtedly a mutual relevance at the strategic level. Now, this is the opportunity that the regions have, and that is why, from the point of view of **duty**, we must prevent it from being eroded" Dr. Adrián Bonilla.*

Can the European Union be an intermediary - or in some cases perhaps a partner for Latin America - in the face of Chinese-US rivalry, perhaps to depolarise relations in the region?

For Dr. Carlos Quenan, at the time of the report, if one asked whether the bi-regional relationship was in decline or on the rise, there was no easy answer. Today, three years later, elements of decline have appeared, although this does not necessarily mean that the relationship is in complete regression. However, in particular, the suspension of the EU-CELAC summits linked to the Venezuelan crisis and also a series of turbulences in the European Union between 2017 and 2018 add to the factors that have affected the situation.

Currently, Dr. Quenan said, these elements that generate the declines must be re-analysed in the light of the pandemic. At the same time, the effects of the Trump administration, which have contributed to a more virulent Sino-American rivalry have to be examined. According to Dr. Quenan, China is not exempt from that either. There are movements, for example in the Caribbean, with the development of diplomatic relations with several

countries in the region (El Salvador, Panama, Dominican Republic) that have led to a greater hardening of the US concerning this rivalry.

For the European Union, a more autonomous position in the face of this rivalry could be a point of support/interest in the LAC region. The EU can play a role as the main promoter of cooperation by having another interlocutor for several elements on issues of regional governance.

However, for Dr. Quenan the only realistic scenario is that of regionalism à la carte. What are the issues and countries that are somehow relevant with potential to limit Sino-US rivalry? For him, the EU needs to identify which countries have the potential to become a global Latin American interlocutor despite the division of the region, which may be more prone to a kind of "de-bilateralisation" of Latin American relations with China and the US.

The same question must be asked in LAC: what are the different interlocutors in the European Union from LAC? Here the division in the Latin American region becomes apparent: on one side there is a sector associated with the trumpist ideology and on the other a sector associated with multilateralist dynamics. Who are the actors? Brazil and Colombia or Argentina and Mexico for certain crucial issues of multilateralism. In this sense, it is difficult for the European Union to play this "de-bilateralisation" role fully because of the Latin American divide. There is not necessarily a consensus at all levels in the EU and also because the Union plays a role in asserting its status as a *soft power*, which is a different approach than the way the US and China relate to the region.

How can the EU and Latin America contribute to the reform of multilateralism?

In her speech, Dr. Anna Ayuso stressed that the COVID pandemic has come at a critical time for multilateralism that already existed previously. As such, we have had to rethink and address the urgency of acting on this systemic crisis of multilateralism.

Two parallel crises (in addition to the financial one) have to be addressed: the crisis of institutional efficiency and the crisis of legitimacy, as the multilateral system does not represent the current order. The example of the US claiming China's control over the World Health Organisation (WHO) reflects the fact that it is impossible to exert influence or dominance over this organisation, implying a struggle for control over the institutions.

For Dr. Ayuso, it is only possible to resolve such crises by opening up institutions to more transparent decision-making mechanisms, and to a search for alliances that will allow progress on certain issues. Multilateralism must therefore transcend the Westphalian era

and be adapted to a much more pluralistic world regarding its actors. In this sense, Dr. Ayuso agreed with Dr. Gratius' opinion regarding the EU's role as a multilevel actor and its potential to be applied to the relationship with LAC:

"This is a strength; the two regions can contribute to an interregionalism that strengthens multilateralism from a more pluralistic perspective. In this respect, we need to see where we can create alliances, analyse very carefully the points where we have contradictions and which we will have to resolve, and see what alliances can be made to avoid being overwhelmed by these two poles and to achieve room for manoeuvre in such a complex world" Dr. Anna Ayuso

What would be the central themes of Latin American and Caribbean regionalism in its relationship with the EU?

For Dr. Bonilla, first of all, on the global stage, there is the possibility of building a sphere of balance that prevents Latin America - and other parts of the world - from becoming a terrain of competition between Washington and Beijing when the actors of LAC-EU convergence are equally or even more relevant in terms of GDP, population and cultural capacity compared globally.

A second dimension is related to how to build relations that allow for more fair logics in global trade in the face of all the existing presences in LAC. Thus, the possibility of reactivating the increase in Euro-Latin American and Caribbean trade is politically important for both regions. This is also relevant in the light of the latest trends and to neutralise, moderate, contain and balance a return of Washington's policies towards the region. One example is the discussion about the presidency of the Inter-American Development Bank (IDB).

According to Dr. Bonilla, based on data from ECLAC and other multilateral economic organisations, there are two elements to consider: The economic recession will probably cause a decline in access to basic services for a significant part of the population. As a consequence, inequalities will be reborn and new data on poverty and extreme poverty will be available. This affects the conventional logic of cooperation towards the Sustainable Development Goals (SDGs). In the logic of traditional European conventional policy, the horizons of social cohesion as an element of balance and support for democracy, as well as the idea of stabilising governance, are affected. The LAC region will be characterised by a lack of economic resources.

What are the main initiatives of Latin America and the Caribbean to overcome this crisis at the global level and how can it be used to strengthen its link with the EU?

In his presentation, Bircher stated that at the moment there is no regional political agenda for dialogue to overcome the complex situation posed by the pandemic, as the countries are more concerned with their internal affairs. However, she stressed the urgent need for a regional dialogue from a trade perspective, since LAC is the main supplier of food in the world, for which the EU is a relevant partner.

Given the current economic and health crisis, there is a discussion about changing the norms and the global health framework. This is a major challenge that the region will have to face together. According to Bircher, the EU is already indicating what will characterise European consumption in the coming times and LAC is anticipating this information eagerly. However, she stressed the importance of first establishing a regional dialogue to reveal how food is produced and how natural resources can be protected, taking into account population growth, particularly that of the middle class.

Currently, Mercosur has advanced the corresponding steps with the EU to reach an agreement under the current Uruguayan presidency, which coincides with the German presidency of the EU Council. Mercosur, however, still needs to express a position on the issue of climate change, as requested by the EU. Also internally, this agenda contains certain dichotomies within the market, due to political differences within the bloc. Dialogue is certainly important, however today it might not be the most effective or smoothest.

For Bircher, each of the Latin American governments is handling the crisis in different ways, with different priorities. Chile, for example, has approached the Asia-Pacific region, with New Zealand and Singapore through a digital economy agreement. Some of the countries in the region see an opportunity in interregional cooperation, through instruments such as digitalisation, while others are more attentive to domestic issues.

"The opportunity is on the table, we have to work from the region, at least for what is left in 2020 a regional dialogue beyond political ideologies and a strong commitment would be very important" Marisa Bircher.

What changes and prospects does the COVID19 pandemic bring to EU-LAC relations?

Dr. Susanne Gratius affirmed that the pandemic has meant a certain revival in bi-regional relations. However, the news and involvement in LAC are not encouraging. She referred to the publication of Dr. Jerónimo Ríos, which argues that "the non-existent regional response to COVID19 in Latin America", demonstrates the lack of coordination between countries while the EU was able to provide a response despite not having the competence

in health matters. The latter, however, is in her opinion one of the EU's major shortcomings as it lacks a common social policy.

Regarding the interest in bi-regional relations and the countries' responses, she stated that Germany has never had a particular interest in LAC and, if anything, its relations are focused on larger countries such as Brazil and Mexico. Both of them are going through times of crisis. According to Dr. Gratius, Brazil does not have the capacity to be an interlocutor and is an absent actor in Latin American regionalism, in addition to being one of the countries most affected by COVID19 as it, like Mexico, has not adequately managed the pandemic.

Dr. Gratius concluded her speech by referring to ECLAC as a reliable entity at the regional level around which an integration process could be articulated in the absence of other frameworks such as UNASUR, which has practically disappeared, or CELAC, which is fragmented.

How are the Sustainable Development Goals and the Agenda 2030 priorities affected by COVID19?

According to Dr. Ayuso, the issue of cooperation is one of the most powerful sectors in bi-regional relations. Clearly, there have been political differences and economically the EU has distanced itself, reducing its weight in LAC. However, as a relevant actor in the field of cooperation, the EU continues to be an important if not the only player, as China's type of cooperation is different.

Concerning Agenda 2030, as the framework on which this cooperation agenda is now being built, the pandemic has highlighted the weaknesses and also the traps of the middle-income countries, particularly concerning the impossibility of promoting technological transformation for a region with greater added value.

Agenda 2030 is aligned with the priorities of middle-income countries, with a multi-sectoral agenda that incorporates various elements, unlike the Millennium Development Goals. However, the pandemic forces us to return to the essence: to start from a very broad agenda until the core issues are identified.

According to Dr. Ayuso, there are three basic pillars. The first is the fight against inequality, an endemic problem in LAC, but also in the EU inequality is growing. People with fewer resources are the most affected, in Madrid, for example, half of those newly infected are immigrants. Therefore, the EU must rethink its social structures, not only through assistance policies, but also via structural policies that address the structural causes.

The second pillar is the digital transformation, posing questions about how to close the gap, not only between citizens, but also between countries.

The third priority is environmental sustainability, which implies changes in the energy matrix, in technology, in infrastructure, but especially a cultural change in how we relate to the planet. What is required is a change in mentality.

In her opinion, these are the main axes that should make up the framework of the Agenda and have a series of derivations in different policies and how these policies are financed, involving in turn fundamental issues of the fiscal and social pact.

What are the prospects for cooperation in the fight against climate change, in health, the pharmaceutical industry and research?

For Dr. Carlos Quenan, health issues seem to be a starting point for the consideration of relaunching the bi-regional relationship. These issues are important but have not yet been explored in depth.

First, health policy had never been a Community policy in the EU and, secondly, the reports on health available and those from the Institut des Amériques - concerning France and Latin America and the Caribbean - were always secondary. Dr. Quenan pointed out, that few countries in the EU have major health or medical-pharmaceutical cooperation agreements with LAC. This is therefore a fundamental clue for further agreements and dialogue, which was even mentioned during the July 10 Declaration resulting from the Ministerial Meeting between the two regions.

Dr. Quenan highlighted the problem of implementing these issues on a global scale. During the meeting itself, the great difficulties of interregionalism, especially in LAC, were emphasised. As an example, there is no mention of CELAC in the declaration. Mexico proposed an EU-CELAC summit, to which Brazil did not express its approval. In this respect, the countries face a problem of interlocution.

"Health is a point on which we should concentrate our attention and action, because it connects directly with the urgency and the need, both in Europe and in Latin America, and because it is an issue that should have been multilateral and global. There was no global coordination, so an EU-LAC relationship is a positive contribution to that" Dr. Carlos Quenan.

Dr. Andrei Serbin Pont then referred to four general questions from the audience for the panelists to answer with their insights.

1) How do Bolsonaro and his government impact on the EU-Mercosur negotiation?

2) How does Brexit impact interregional relations?

3) What could be the role of CELAC?

4) To what extent does Argentina's foreign policy affect the EU-Mercosur Agreement?

The Executive Director of the EU-LAC Foundation argued that multilateralism was more valid than ever before to address global problems. According to Dr. Bonilla, neither autarchy nor bilateralism can provide solutions or answers to global problems. Thus, multilateralism remains an instrument, which if it has been rationed, is still the only one available.

It is very likely that the institutions - which were created in the second half of the 20th century - need to be updated. This also applies to the EU-LAC bi-regional relationship: there is no better LAC dialogue than CELAC, as the other organisations are subregional and most of them are focused on trade. In political terms, CELAC is the space for dialogue. It has gone through and managed to survive the multiple tensions that persist in the region, arising from the various moments of political or economic crisis in different countries.

Dr. Bonilla finds that CELAC continues to be the most important interlocutor in the region, the space where all the countries of the region can be represented beyond the logics of development and ideologies of their governments. In addition, on the global agenda of LAC, there are the issues of multilateral relations, the SDG's, how they will be measured and achieved given the current conditions, among other elements.

For Dr. Susanne Gratius, the Brexit is not an imminent issue, although it does affect the Caribbean countries more, some of them having close relations with the United Kingdom. The good news, in her view, is that no EU Member State has followed suit. In this respect, on the other side of the Atlantic, the possibility of Brazil's withdrawal from CELAC is viewed with concern, as it is a key player and could create a problem of representation.

Professor Gratius stressed that CELAC is not an institution, but a platform of summits with some intergovernmental entities. For Dr. Gratius, an institutional approach is a necessity, without which there is no continuity. Reviewing the situation in the EU, she outlined three crises, not including Brexit: the financial crisis, the refugee crisis and now the pandemic, causing a setback of years in terms of economic growth.

For Marisa Bircher, Argentina's foreign policy plays a very important role in the EU-Mercosur agreement. The country has one of the two structurally largest economies, although not necessarily the most important one. However, it is the voice, the decision and

the conviction of the four partners that is very relevant and that led to the conclusion of the agreement with the EU.

According to her, the Uruguayan presidency is strongly focused and has a clear vision of Mercosur's economic integration to the world. Its presidency coincides with Germany's presidency of the EU, which was one of the countries that collaborated most towards the completion of the agreement.

For Bircher, a resolution on Brexit and an agreement with the European Union is very important for Mercosur as it is relevant to know the results of the agreement between the EU and the United Kingdom in order to later take up certain areas impacted by the Mercosur-EU agreement.

Dr. Quenan mentioned that, in addition the non-existence of Latin American regionalism in the face of the pandemic, one can also affirm the non-existence of the United Nations against the pandemic, which is a matter of concern. This is a scenario where the role of the WHO is also questionable.

Another important element to consider is the specific developments in each region and the risk of deepening asymmetries, among other things, concerning the capacity to emerge from the crisis, stimulate the economy and enter a phase of revival and reactivation of the economy in each region and at the global level. The EU possesses a variety of mechanisms to boost the economy, while LAC does not have resources, posing a key problem.

According to Dr. Quenan, we are faced with various issues that need to be addressed in depth, in particular the rejection of multilateralism from various angles and a regional situation that does not contribute due to the divisions that were mentioned. Academic discussion can be helpful for political decision-making and we must continue along this path.

According to Dr. Ayuso, the political impact of Brexit has already been relatively amortised. The economic impact, however, is more complicated to measure since the exit is happening gradually and will be blurred by the pandemic.

For Dr. Ayuso, Bolsonaro has indeed already contributed to the polarisation that has occurred in the region. Brazil has gone from being a country that in recent years had served as an arbiter trying to seek consensus in the region and stimulate the integration of South America and CELAC, to contributing to the opposite, generating more tension. Furthermore, there is a negative impact on the environment, which is the main factor that

is generating controversy over the EU-Mercosur agreement. However, Brazil did not leave CELAC but protested and suspended its participation.

Following the approach already proposed by Bircher, Dr. Ayuso stressed the need for transparency regarding the EU-Mercosur agreement and its environmental clauses, possibly allowing for the participation of civil society organisations. These clauses allow bringing the regulatory standards closer to other international actors.

In an analysis verifying the status quo of the bi-regional relationship, Dr. Ayuso pointed out that, despite the economic crisis, fragmentation and polarisation, there has also been greater interest in this relationship. Now that the regions have more presence in the respective agendas. Dr. Ayuso predicted a more positive future for the bi-regional relationship, especially due to the impetus given by the respective presidencies of Mexico and Germany.

"This is an opportunity for the countries to take an interest in promoting an agenda that can try to avoid political confrontation and make progress on those issues where we can gain by working together" Dr. Anna Ayuso.

At the end of the webinar, Dr. Andrés Serbin highlighted three points:

1. The focus on inter-regionalism beyond the specific issues on the common agenda, which must also be addressed. Alternatives must be sought so that these two large blocks - LAC and EU - can somehow, despite internal difficulties and under the pressure of external difficulties, move towards a more efficient, developed and advanced relationship.
2. The pandemic indicates the importance of reassessing the scenarios that had been addressed, not only in the economic sphere but also on the political and geopolitical front.
3. The mutual strategic relevance of LAC and the EU, particularly in the light of potential bipolarity between the US and China.

"There is room for other forms of articulation of a new world order, in which other actors - such as the EU and LAC - have their say, as long as they know how to play their cards properly" Dr. Andrés Serbin

For the full webinar, click [here www.youtube.com/watch?v=BkLXPvO2ieY](https://www.youtube.com/watch?v=BkLXPvO2ieY)

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