

*Europe – Latin America:  
strategic partners in the world scenario*

# **EU-CELAC RELATIONS AND THE SOCIAL COHESION: BALANCE AND FUTURE PERSPECTIVES**

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### ***Introduction.***

For several decades, based on the common body of values and interests shared by the two regions, bi-regional relations between the EU and Latin America and the Caribbean have consistently maintained objectives related to peace, democracy and the effectiveness of human rights and the rule of law, sustainable development, social cohesion and the fight against poverty, and the strengthening of multilateralism. On the other hand, they have adapted to a changing international context: they originated in the eighties, providing a successful response to the challenges of the democratic transition, and peace and the negotiated solution to conflicts in the region. In the nineties, in the more favourable scenario of the Cold War, the increase in Latin American regionalism and the development of the PESC, an inter-regional strategy was asserted from the EU that responded in a differentiated manner to the new map of Latin American integration. This strategy led to a high-level bi-regional political dialogue through the Summits held between the EU and Latin America and the Caribbean. It also included a broader and more diversified form of development cooperation, as well as the proposal for a network of bilateral or multilateral Association Agreements covering the whole of Latin America and the Caribbean.

It has been difficult to make these goals a reality, and there are still outstanding tasks, such as the EU-Mercosur negotiations, but in retrospect the results have been notable. Both regions maintain a political dialogue that contributes to harmonizing positions in international fora and emphasizes the role of both parties as global stakeholders. Mechanisms open to civil society and to business sectors also exist, and a parliamentary dialogue has become institutionalized through the EuroLat Assembly formed in 2006. Association Agreements have been signed between the EU and Mexico (2000), Chile (2002) and Central America (2010), and two free trade agreements with Peru and Colombia (2010), with negotiations for an EU-Mercosur Association Agreement restarting last year. The EU also signed a broad Economic Partnership Agreement with the 13 Carifórum countries. In the area of development cooperation, the EU and its Member States provide more than 60% of the AOD received by the region, with EU institutions being the third most important donor, providing 12% of the total. The signing of science-technology cooperation agreements, which allow the participation of some countries in joint scientific-technological research projects through the EU Framework Programme, which represent an advanced cooperation mode of great importance to the Middle-Income countries of the region, is worth mentioning.

In a changing international context, with new stakeholders emerging and a vast process of redistribution of power and wealth underway on a global scale, it's worth questioning the essentials, rationale and functions of the strategic association between the EU and Latin America and the Caribbean. To address these questions, on which the existence, relevance and scope of this relationship depend, four major rationales or logics that highlight the relevance of social cohesion as the axis of bi-regional relations could be invoked:

#### **I. The rationale of identity. Shared values and social cohesion**

In an international context with an increasingly “post-Western” face, and with countries emerging that do not always share the values on which the EU-Latin America and Caribbean relationship is based, the definition of “Western” of these stakeholders has been, and largely still is, a singular feature of their identity and

political practice, and a source of legitimacy and international influence. Both regions share many of the principles and assumptions of liberal internationalism, particularly, democratic principles, open economies, a commitment to multilateralism, and the rule of law as the cornerstone of the political system and the social contract. But to these principles, which can be found in other Western countries, both regions have added purely Latin American and European components, such as support for regional integration, Latin American aspirations of social equity, and the defence of the European model of society. The commitment to social cohesion is, in fact, a distinctive feature of the interests, values and identity on which internal and international policies are based, both in Latin America and the Caribbean and the European Union. Beyond their importance as an axis of cooperation policies, they constitute a distinctive element of their international action, and with it, a source of legitimacy and influence—or “soft power”—for stakeholders that, as happens in both regions, stand as “normative powers” based on values when it comes to shaping the new rules that will define the more pluralistic and diverse “post-Western” international system taking shape.

Nevertheless, the consensus around shared values cannot be taken for granted. (Re)constituting the bi-regional strategic association as a community of values requires more than a generic invocation. In the first place, these values are today being debated in both places, and democracy, public action to regulate markets, and the scope and significance of social cohesion are questions about which the former consensus today are a subject of open discussion. As a result, a “strong” grounding in values confronts both regions with their own reality and contradictions. In the second place, because many of the shared values are today assimilated in the sense that they have already been assumed by large part of the international community and no longer have a distinctive value. And, in the third place, the complex, and occasionally contradictory relationship between interests and values on which foreign policies are based, and the international alignments of both parties, are changing, but not without contradictions that call into question the declared values of each actor and undermine their international credibility. In this context, ongoing political dialogue is required, in addition to agencies and mechanisms of construction and consensus, of socialization and reciprocal learning that allow shared reconstruction of these values and, in particular, of the bi-regional commitment to social cohesion.

## **II. The cosmopolitan rationale and the governance of globalization**

This rationale would explain bi-regional relations based on the need to provide joint responses to the challenges of global governance in a transnationalized and interdependent world. Faced with the processes of globalization, the great question is how to organize effective international collective action, and how to create regulations and representative, legitimate institutions to adequately confront “global risks”. In light of these, a “new multilateralism” capable of democratizing international organizations, improving their legitimacy, representativeness and effectiveness is more necessary than ever. The political dialogue between the two regions should contribute to defining a shared global vision and more coordinated action in multilateral fora and global agendas of mutual interest.

The question is especially relevant from the standpoint of economic and social development, the conditions and policies on which social cohesion depends, and the social model to which both regions aspire. Economic growth, the dynamics of employment and the structure of the job market, the scope of social protection and

the policies that make up the welfare state, as well as the tax policies they depend on to sustain them, and even citizen security, are increasingly situating themselves as transnational processes and of the networks of interdependencies that have given rise to the process of globalization. This is being dramatically highlighted by the economic crisis triggered in 2008, and the growing role of transnational criminal networks in the wave of violence affecting Latin America. The validity and content of democracy as a system of rights and guarantees, and the social contract itself, in short, increasingly depend on contingencies associated with this process, on adequate management of global risks and on global collective action, more than on the social compacts defined within each State, or even within the framework of regional integration processes. Hence the importance of situating social cohesion in the emerging structures of global governance, such as the G20, and of constructing and/or reconstructing the economic governance of each regionally integrated group.

### **III. The pragmatic rationale**

The pragmatic rationale is linked to economic interests, through which the two regions would cooperate to achieve better international integration in response to the process of displacement of economic power towards the Asia-Pacific area, a process that requires action to improve the international integration of all stakeholders. Bi-regional relationships can play a decisive role in achieving this goal. For Latin America, the EU continues to be a very important partner for promoting investment and quality employment through technology transfer and advanced economic cooperation in fields that are relevant to competitiveness agendas, such as higher education and national R&D+i programmes. Moreover, the ascendancy of Latin America and the Caribbean, in a context of recession in the advanced nations, makes it more attractive as a destination for exports and FDI flows. With respect to the latter, the fact that the region is no longer just a receptor and the ascendancy of the “Multilatinas” are noteworthy. In the third place, through “mega-agreement” proposals like the Transpacific Agreement and the North Atlantic Trade and Investment Agreement, a significant potential for economic triangulation exists that vindicates the strategy set out by both regions of promoting a network of Association Agreements. In this context, an expanded dialogue—about social and environmental standards in trade agreements; about rules that ensure quality social and environmental investment; and about the search for formulas and the exchange of experiences and best practices with respect to the links between employment, social protection and environmental sustainability, and the development of transnational value chains associated with this process of economic internationalization and reciprocal flows of trade and investment—is relevant.

**IV. The functional rationale**, lastly, would address the demands for sectoral cooperation where logics exist based on shared interests and interdependencies with reciprocal costs, which, increasingly, require a broad agenda of advanced thematic cooperation in line with the new cooperation demands coming from Middle-Income Countries in Latin America and the Caribbean. In this area, agendas that approach Association Agreements in terms of the following are relevant:

- Promotion of trade and quality social and environmental investment, of competitiveness policies, of measures to address the asymmetries and costs of the adjustment, and of support for institutional reform and the improvement of regulatory frameworks.

- Social cohesion policies, with an emphasis on tax policies, the improvement of access to and efficiency in the provision of public services, decent employment, social policies, human rights and actions in favour of equality in terms of gender, ethnic group or any other discrimination factor.
- Support for regional integration, which is increasingly taking shape as an important instrument for improving international competitiveness, through support for the adoption of common standards and policies, the improvement of physical infrastructure and connectivity, as well as for the coordination of policies and the provision of regional public goods.
- Cooperation in the area of knowledge and the establishment of a “EU-LA Knowledge Space” in science and technology, innovation and technology transfer to the productive sector, and the formation of a common higher education and vocational education space.
- Conservation of the environment, sustainability, the fight against climate change, energy efficiency and the improvement of the energy grid through the development of renewable energies.
- Cooperation to jointly confront transnational dynamics that affect the security and welfare of the societies of both regions, such as illegal drug trafficking, international organized crime and international migration.
- Cooperation to promote international development objectives, beyond the MDGs, based on the reform of the European development policy and on the specificity and potential of Middle-Income countries (MIC) and their growing involvement in South-South cooperation.

In recent years, the power shifting processes in the international system, the rebalancing of the bi-regional relationship and the transformations that European and Latin American regionalism are undergoing have brought up the need to renew relations between the EU and Latin America and the Caribbean, and to find a sense of purpose and a convincing and motivating “narrative” that makes it possible to overcome the “relationship fatigue” that seems to be affecting both sides. The four rationales indicated above would be the ones that should provide a “strong” rationale for the bi-regional relationship to continue to be desirable and necessary. Social cohesion lies at the heart of these four rationales, and based on the explanations above, a bi-regional relationship that does not make this question one of the centres of the policy dialogue, of its interregional cooperation, and its international visibility in a world in transformation seems inconceivable.



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