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1. Introduction:

The Higher Institute for Labour Studies and the Leuven Centre for Global Governance Studies organized with the kind cooperation of the Committee of the Regions the workshop “ *Integration processes between the European Union and Latin America: chronicles of a death foretold ?*”

During half a day, EU policy makers, European private for-profit organizations, civil society actors and academics have been discussing the current state of play of the integration processes between the EU and the various Latin American sub-regions (Andean countries, Mercosur, Central America, Caribbean community). A particular focus has been on:

- the involvement of non-state actors in the present negotiation process with the Andean countries; and
- the crisis of the bi-regional negotiation processes between the EU and the Latin American sub-regions.

2. Policy context of EU-Latin America integration processes

Since the first bi-regional Summit in Rio de Janeiro (1999), the European Union (EU) and Latin American countries have been expressing the intention to set up a strategic partnership between both regions with the aim of forging links in political, economic and cultural spheres. One of the main strategies to advance towards this partnership is through the negotiation of Association Agreements between the EU and the Latin American sub-regions. This aim has been upheld in the Summits of Madrid (2002), Guadalajara (2004), Vienna (2006) and most recently in Lima (2008). Hence, in 2000, the EU and Mercosur opened negotiations for an Association Agreement that is based on three pillars: political dialogue, cooperation and a free trade area. While negotiations on the political dialogue and cooperation chapters are virtually concluded, the trade chapter remains to date unfinished.

Accordingly, the Partnership Agreement between the members of the African, Caribbean and Pacific Group of states, otherwise known as the ACP group, and the EU was signed in 2000 in Cotonou (Benin). It is also referred to as the Cotonou Agreement, which is the current framework for cooperation, political dialogue and trade relations between both regions. As the objective of the agreement is to facilitate the economic and political integration of the ACP countries into a liberalised

world market, both regions started to negotiate Economic Partnership Agreements (EPAs). Although negotiations started in September 2002, until today the majority of the involved countries did not conclude the negotiation yet.

The relations between the EU and Central America is a similar story. The EU-Central America Political Dialogue and Cooperation Agreement, signed in Rome (2003), mentions the intention of both parties to create the conditions under which an Association Agreement can be negotiated. And this is what currently is taking place. The negotiation process of an Association Agreement between both regions took off in 2007 and is fully in process.

Regarding the EU-Andean Community relations, the official start of the negotiation process of an Association Agreement between both regions was in June 2007. After three official negotiation rounds, Bogotá (September 2007), Brussels (December 2007) and Quito (April 2008), the fourth round again in Brussels (July 2008) has been cancelled because of difficulties to agree on the negotiation agenda.

A highly divided Andean Community and a European Union that showed not to be willing to respond to the demands of some of the Andean countries resulted in the crisis of a negotiation as regional block. As answer to the stagnation of the negotiation, Peru and Colombia (and afterwards also Ecuador) expressed their interest to negotiate bilaterally with the EU. And this is also what happened in the more recent negotiation rounds in Colombia (February 2009 / June 2009) and Brussels (May 2009). The EU started bilateral negotiations with Peru, Colombia and Ecuador on the chapter of trade. This means that: first, the negotiation is bilateral with three individual countries, instead of with the CAN as a whole; and secondly, that the negotiation of an Association Agreement, including three chapters (trade, political dialogue and cooperation) is reduced to the negotiation of the trade chapter. The other two chapters are dealt with through the Political Dialogue and Cooperation Agreement between the EU and the CAN that has been signed in Rome in 2003, but never has been ratified by all the member countries.

3. Entering the issue of regional and global governance

In other words, the negotiation between the EU and the various Latin American sub-regions is fully in process, and delivers interesting insights on mechanisms of global and regional governance. A particularly relevant aspect is the increasing attention by

international governance institutions and the academic world on the involvement of non-state actors in policy making processes. In a complex policy making setting as the negotiation between the EU and its Latin American counterparts, a variety of governmental, intergovernmental, civil society and private profit actors participate in the deliberation of negotiation agendas. When dealing with the issue from the perspective of a transnational networked policy community, these negotiation processes involve a multi-stakeholder, multi-level and multi-disciplinary dimension. This means that the EU-Latin America policy networks are characterized by a diversity of actors and organizations that interact on different moments and in changing power constellations in the negotiation process. Coordination among these actors and policy levels becomes a key issue to deal with here. Hence, this means that an inter-regional or bilateral negotiation process, such as the negotiation between the EU and the Andean region has to be situated in a context of other regional integration processes between the EU and Latin America (e.g. Mercosur, Unasur, etc.), and global governance processes, as the World Trade Organisation, the United Nations or the World Social Forum.

4. Non-state actor involvement in the current negotiation process between the EU and the Andean region

Non-traditional actors are increasingly involved in the external relations of the European Union. A first example has been the **growing recognition of the role regions and cities can play in external relations**. And this also counts for the external relations towards Latin America. The Mercosur heads of governments decided (2004) to include regions and municipalities in the Mercosur activities and founded the Consultative Forum of Municipalities, Federated States, Provinces and Departments, which started its activities in 2007. A similar process took place in Central America. In 2008, a Forum of Local Authorities of Central America was established. This is particularly relevant in the Latin American context where countries face huge economic and social disparities among regions.

Cities and regions are only one group of non-traditional actors that are increasingly recognised as relevant actors to be involved in the external relations of the EU. Civil society organisations, such as NGOs, trade unions or other social movements; academics and private for-profit associations (e.g. chambers of commerce) play an important role in the deliberation and negotiation of the EU external agenda. However, **the participation in the policy making process highly differs among**

the involved actors. Whereas trade unions may channel their positions through the institutional framework of the European Economic and Social Committee (EESC), others are believed to be consulted at open or informal civil society days that are organized by DG External Relations or DG Trade. Accordingly, one may distinguish between the logics of non-state actor involvement in the four Andean countries compared to the EU. Non-state actors and more in particular, civil society is criticized as lacking the structure to effectively advocate their interests or values. On the other hand, it is unrealistic to expect the wide variety of civil society organisations to organise their voices into one coherent voice. Institutionalisation is not always the most preferable mode to channel these voices. An additional element has been the diversity of policy venues. In other words, non-state actors look for various entries into the policy making process. E.g. private for-profit organisations may channel their interests through the DG Trade contact group, the civil society dialogues that are organized by DG Trade or DG Relex, their involvement in the preparation of Sustainable Impact Assessments (SIAs) or lobbying at the level of the national governments.

A second important element that came up in the discussion is the **weak integration of the Andean region** (in economic, political, institutional and socio-cultural terms). This has been reflected in a lack of common positions on the various chapters of the negotiation process and resulted (together with other reasons, such as a limited willingness of the EU to adapt the negotiation agenda to the demands of the Andean countries) in a shift from an inter-regional negotiation to bilateral negotiations with three of the four Andean countries.

Along the same line, the **dynamic nature of politics** has been dealt with. Constitutions get voted, new governments come into power, alternative issues enter the agenda and power dynamics change. This also means that political opportunity structures change, governments open or close channels to involve certain actors in policy making. Actors gain protagonism, discourses enter the international policy agenda, whereas others weaken, loose representation or do not achieve to form fruitful coalitions with other parties.

What about the **politicization of the negotiation process** ? Do the Andean and European publics follow the issue ? It leaves no doubt that the Andean region knows a richer public debate on the issue. On the other hand, there is less interest compared to the negotiation process between some of the Andean countries and the

US. This may be explained by the geographic proximity of the US and the romanticized idea of the European social model that is exported to these countries. Therefore many civil society organisations did not take a clear stance on the EU-Andean region negotiation process. Only after the EU-LAC Summit (Lima, 2008), the EU position towards the negotiation process became clear, and civil society organisations started to take a better defined stance. This has been strengthening the debate and politicization of the public on the issue. On the European side the public is not very much involved in the negotiation process. Apart from some civil society organisations that follow the issue, the attention from the media or academia is limited. This results in a poor public debate.

When dealing with third countries, the EU applies a very **normative discourse** on the issues of human rights, environment or democratisation. One may question, however, how far the EU really wants to go in fostering these values ? International conventions on these issues are already included in the Generalized System of Preferences Plus (GSP+) or in the Political Dialogue and Cooperation Agreement between the EU and the CAN (Rome / 2003). However, notwithstanding the widely denounced violations of fundamental trade union rights in Colombia or the present conflict with indigenous organisations in Peru, the EU continues to negotiate a trade agreement with these countries. Both the EU and third countries use the argument of national sovereignty to avoid other countries to intervene in domestic processes. Third countries often interpret these clauses as non-tariff trade barriers. This results in democratic clauses that are seldom enforced.

An additional main issue that has been touched upon, is the **contextualisation of the EU-Andean region negotiation process in its broader framework**. This means for instance that the position of the EU regarding trade liberalisation with other regions and countries should be included in the analysis. In addition, the discussion on non-state actor involvement may be enriched by paying attention to other institutionalised mechanisms of deliberation and decision-making such as the Council and the Parliament. For instance, before the negotiation starts, the Council has to define the negotiation mandate of the Commission, and after the negotiation process the Parliament has to ratify the agreement. Others have been denominating a similar idea as recognising the “magnitude of things”, understood as situating the present negotiation process in the broader institutionalised framework of EU-Latin America relations. That framework takes shape under the form of Summits, existing agreements and trade relations, migration flows, inter-parliamentary meetings, etc.

This means that the relevance of the present negotiation process between the EU and the Andean region has to be put in its right proportion and not overestimated. For instance, the issue of migration has been a hot potato in the chapter on political dialogue. On the other hand, it is difficult for the Andean countries to pressure the EU on an issue of migration, which is very sensitive issue in the EU, involving many more countries.

Part of this broader framework are the **increasing criticisms towards neo-liberal trade integration**. This feeling of distrust is very much present in Latin America and incorporated in the national political agendas. Governments being denominated as leftist (or beyond the leftist-rightist debate), is highly determined by their critical position towards neo-liberal trade integration and the inclusion of voices on these issues that before where seldom heard. The indigenous movement is a particularly interesting example here. Based on a very different approach regarding how regional integration should look like, they take a very critical stance towards the neo-liberal model of trade integration.

By means of conclusion, one may question the **role of non-state actors in the policy making process**. To begin with, representation of the various civil society organisations is a controversial issue. But also in the end: voices, interests or values have to be weighted and translated to final policy decisions. Therefore, more formal political institutions as the Parliament, the Council and the Commission are still key here. On the other hand, there exist gradations in involvement and successful examples where non-state actors demand and governments transfer high levels of decision making power to non-state actors. These examples are interesting laboratories on non-state actor involvement in policy making. Certainly, when we remind that **the paradigm on participation is relatively new** and that 10 years ago it was perceived as pretty normal that agreements are negotiated behind closed doors.

5. Crisis of the bi-regional negotiation between the EU and the Latin American sub-regions: Andean countries, Mercosur, Central America, Caribbean community

The EU applies a discourse with two standards when dealing with the promotion of **regional integration** of third countries. On the one hand, regional integration is mentioned as one of the main key areas of EU external policies. On the other hand,

regional integration seem to be first of all a highly endogenous and not exogenous process. In addition, in the case of the Andean region, the EU shifted its negotiation logic from inter-regional to bilateral negotiations, pointing at the still greater weight of economic interests compared to the normative discourse on strengthening regions.

The afore mentioned increasing distrust towards neo-liberal trade liberalisation is reflected in the **limited success that has been observed in concluding negotiations** under the framework of the WTO, or between the EU and the ACP countries, Mercosur, Korea, etc.

The EU has a high ambition when dealing with trade integration with third countries. They promote a **deep integration**, encompassing the liberalisation of almost every economic sector. A sole flexibility in the negotiation logic may be the time schedule in which this is believed to take place. On the other hand, Latin American sub-regions are relatively weak regions, lacking economic, institutional, political and socio-economic integration. This means that the EU is demanding from the region what the individual countries within this region are often not even giving to each other. This limited integration should be reflected in the agreements that the EU is negotiating and has also been mentioned in the initial set-up of the negotiation process between the EU and the Andean region. After the first rounds, however, this differential treatment did not seem to work out and the EU showed only a limited flexibility on incorporating the diverging demands of the Andean countries. The result has been an increased pressure on the CAN and finally the shift towards bilateral negotiations. One could call this the crisis of the inter-regional integration process, others prefer to speak of a limited political willingness. While the EU did not really enter the dialogue on migration, Andean countries are reserved in opening their markets. Therefore, some argue for adapting the expectations of the integration process instead of speaking of a crisis.

Deep integration can also be interpreted differently. Not in terms of far reaching economic integration, but more in terms of **broadening the integration process from economic to social and political issues**. This has been one of the initial aims of the Association agreement (including trade, political dialogue and cooperation), but has not been achieved because of strong tensions on the issue of trade. Also at the side of the Andean Community, the trade issue seems to be very contentious. Therefore, “deepening” the integration process by including issues as social policies,

education, cities and regions, etc. could be an alternative way to foster the integration process.

The **present financial and economic crisis** has highlighted the importance of strong state structures to correct and direct market mechanisms. This in itself is pretty much a shift in the existing paradigm and the development model that decennia long has been exported to Latin America. State interventionism is possible under certain clauses in the WTO regime, but always temporal and as exception on the rule. An additional element that has become more clear in times of crisis are the risks for developing countries to highly depend on international trade. Unprotected labour and short term contracts are often the first victims of volatile markets. Similarly, when agricultural production is strongly export-oriented, the internal food market is believed to bear the costs of these external shocks. In countries, where the majority of the daily income is spent to meet nutrition needs, these international price fluctuations are felt seriously and lead to social unrest. Hence, the question that has been raised during the workshop was the following: *if the international trade landscape is changing and the dominant paradigm of trade liberalisation is questioned, shouldn't the EU incorporate these criticisms and modify its integration agenda towards third countries?*

At the moment, however, the European Commission has not done this. Together with private for-profit interest organisations, the EU takes **a clear stance on fostering bilateral negotiation to advance its worldwide agenda of trade integration**. An important motivation here is not to loose the relative competitiveness towards the US, China and other upcoming powers.

6. Further opportunities

Two aspects that have been debated during the workshop and that are worth to deal with more thoroughly in the future are:

- **the governance of regional integration processes**. And this by paying attention to the widening of the actors involved (e.g. state and non-state actors); the broadening of issues (e.g. from trade to environment, social policies, migration, etc.); and increasing policy levels (e.g. from sub-national, national to supra-national). A particular interesting aspect is the **role of non-state actors** in these regional integration processes in Latin America.

- **the elaboration of methodologies to measure the efficiency, effectiveness, legitimacy and sustainability of policy making processes.**

Similarly, an additional element that may enter the discussion is the focus on the **role of non-state actors** in enhancing the efficiency, effectiveness, legitimacy and sustainability of EU-Latin American policy making.

Annex 1: Program of the workshop

13h - 13.15h: Welcome by

- Patrick Develtere - Director of the Higher Institute of Labour Studies / Katholieke Universiteit Leuven
- Councillor Gordon Keymer - Committee of the Regions - Relex

13.15h - 15h: Roundtable debate on the *“Non-state actor involvement in the current negotiation process between the EU and the Andean region”*

- Marianne Van Steen - European Commission - DG External Relations - Deputy Head of Unit Andean Community
- Helmut Markov - European Parliament - Chairman of the Committee on International Trade
- Gustavo Hernández - UE-CAN network coordinator
- Paul Fournier - Trade advisor of the Association of European Chambers of Commerce and Industry
- *Moderator:* Rafael Peels - PhD Candidate at the Higher Institute of Labour Studies / Leuven Centre for Global Governance Studies / Katholieke Universiteit Leuven

15h - 15.30h: Coffee break

15.30h - 17.15h: Roundtable debate on the *“Crisis of the bi-regional negotiation between the EU and the Latin American sub-regions: Andean countries, Mercosur, Central America, Caribbean community”*

- Philippe de Lombaerde - Associate director of the United Nations University- Comparative Regional Integration Studies
- Nicola Ardito - European Commission - DG Trade - Coordinator for bilateral trade relations with Central America
- Marc Maes - 11.11.11 Coalition of the Flemish North-South Movement - Trade policy officer
- Pascal Kerneis - Managing director of the European Services Forum
- *Moderator:* Mario Teló - Director of the Institute for European Studies - Université Libre de Bruxelles and Rafael Peels

17.15 - 17.30h: Closing by

- Huib Huyse - Head of the research unit Development Cooperation - Higher Institute of Labour Studies / Katholieke Universiteit Leuven

Annex 2: List of Participants

Name	First Name	Organisation
Andersson	Annelie	Aprodev
Ardito	Nicolas	European Commission - DG Trade
Aro	Marja	North Finland EU Office
Bilbao de Azpiazu	María	Fundación Comunidad Valenciana - Región Europea
Brescia	Carlo	K.U.Leuven
Bruun	Jonas	Central Denmark EU Office
Buck	Karl	LAC - EU Council Secretariat
Burhi	Mohamed	Delegatie Van Baskenland te Brussel
Cousy	Evelyn	Leuven Centre for Global Governance Studies - KULeuven
de Lombaerde	Philippe	United Nations University- Comparative Regional Integration Studies
De Walsche	Alma	MO - Wereldmediahuis
Desmet	Peter	Internationaal Vlaanderen
Develtere	Patrick	/
Docarmo	Farit	/
Flores	Gabriela	/
Fournier	Paul	Association of European Chambers of Commerce and Industry
Gavrilenko	Vladimir	K.U.Leuven
Geerts	Marijke	European Commission
George	Isabelle	/
Gommers	Nele	/
Gutiérrez	Laura	Maastricht University
Hernandez	Gustavo	UE-CAN
Hundhammer	Elisabeth	European Commission
Ishiwa	Aki	Regione Emilia-Romagna
Kerneis	Pascal	European Services Forum
Levoyer	Albane	Représentation Midi-Pyrénées à Bruxelles
Lifflander	Sebastian	Maastricht University
Lukasiewicz	Milena	European Commission, RELEX, unit: Mercosur and Chile
Maes	Marc	11.11.11 Coalition of the Flemish North-South Movement
Markov	Helmut	European Parliament
Marques Ruiz	Carmen	DG RELEX G/3, European Commission
Marx	Axel	Leuven Centre for Global Governance Studies - KULeuven
Miessen	Thomas	ACV - CSC
Molano Cruz	Giovanni	/
Molina Echeverria	Andrés	European Parliament, DG EXPO Europe Latin-America Parliamentarian Assembly
Mongera	Francesco	GrupoSUR
Morales	Victor	Mexican Embassy
Moukkas	Assia	ULB
Napieralska	Anna	Representation of the City of Lodz in Brussels
Naranjo - Leclercq	Andrea	COTA
Nicolás	Pascual de la Parte	Council of the European Union
Ostrowski	Bartłomiej	Regional Office of Lower Silesia
OULION	Elodie	Maison européenne des pouvoirs locaux français

Pathan	Mariam	Maastricht University
Peels	Rafael	Higher Institute of Labour Studies - KULeuven
Petersen	Svenja	European Services Forum
Pfeffer	Karl	fos-socialistische solidariteit
Roca Puigserver	Maria	Fundación Comunidad Valenciana - Región Europea
Soares	Jadir	FUCAPE Business School - Brazil
Sterkx	Steven	Leuven Centre for Global Governance Studies - KULeuven
Teló	Mario	Institute for European Studies - Université Libre de Bruxelles
Van Looveren	Mieke	/
Van Steen	Marianne	European Commission - DG External Relations
Vanhee	Mart	Ghent University
Vytopilova	Janka	Žilina Region Brussels Office, House of Slovak Regions
Wagner	Petro	Leuven Centre for Global Governance Studies - KULeuven
Wetzel	Lukas	Maastricht University
Wouters	Jan	Leuven Centre for Global Governance Studies - KULeuven
Van de Cruys	Roos	SARiV



The **Leuven Centre for Global Governance Studies** is an interdisciplinary research centre of the Humanities and Social Sciences at the Katholieke Universiteit Leuven. It was set up in the Spring of 2007 to promote, support and carry out high-quality international, innovative and interdisciplinary research on global governance. In addition to its fundamental research activities the Centre carries out independent applied research and offers innovative policy advice and solutions to policy-makers on multilateral governance and global public policy issues.

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