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V4—Latin America and the Caribbean States: New Partners?*

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In a crisis-hit and multipolar world, non-traditional partners have started to partner up. For the V4 and Latin America and the Caribbean (LAC) states, renewed interest in the economic sphere has not translated yet into an expansion of bilateral relations in other areas. To intensify cooperation, the V4 countries could think on increasing political dialogue with specific countries (e.g., Brazil, Mexico) or subregional groupings (e.g., Mercosur or the Pacific Alliance) and invest more in “track-two” diplomacy, which is generally a low-cost but high-return investment. The prospects for further intensification of relations suggest the dynamically developing LAC countries are potentially interesting partners for political, economic and scientific cooperation for members of the V4.

Although there are no contentious matters in the Visegrad Group (V4) countries’ relations with Latin America and the Caribbean (LAC), the region has never been an important area of interest for their decision-makers.¹ Therefore, it is no secret that Latin American countries occupy a marginal place in V4 members’ foreign policies. It can be safely observed that the relations between both regions are friendly but distant.² Due to cultural ties and a common language, Spain is the natural preference for many Latin American countries in the European Union (EU). Despite the economic crisis, Spain is still seen by Latin Americans as “tierra de oportunidades” (land of opportunities).³ It is worth pointing out that since 2004 the number of Latin American immigrants has increased by 65% in Spain, today totalling 1.5 million people.⁴ Other important LAC partners in the EU, such as for Brazil, are Germany (trade and environmental cooperation), France (military) and Portugal (cultural ties). The UK is also often a point of reference for the Caribbean island countries. In contrast, the V4 countries have for centuries perceived the LAC states as a distant land visited only occasionally by individual diplomats and travellers.⁵ The reverse is also true and thus countries from either region have not seen relations mature.

After years of embracing a foreign-policy approach focused on the EU and its immediate neighbours, the V4 states are slowly reassessing their policies and relations with regions other than their traditional European and North American partners (the U.S. and Canada), with LAC being the third region of interest after Asia

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¹ The V4 consists of the Czech Republic, Hungary, Poland and Slovakia.

² See: R. Stemplowski (ed.), *Europe and Latin America—Looking at Each Other?*, PISM, Warsaw, 2010.

³ D. Belmiro, M. Gómez-Robledo, “An Opportunity to Do Business,” *El País Internacional*, 24 June 2014, www.internacional.elpais.com.

⁴ “Foreigners in Spain,” Spanish Ministry of Migrations, 30 June 2014, www.extranjeros.empleo.gob.es.

⁵ B. Wojna, “Rediscovering Latin America? Central European Perceptions and Perspectives,” *EsGlobal*, 20 January 2014, www.esglobal.org.

and Africa. The biggest change is already seen in the economic dimension of bilateral relations. The growing muscle of V4 companies and the search for new markets and new sources of growth outside Europe have prompted businesspeople and decision-makers involved in economic diplomacy to explore the potential of the growing Latin American markets. In the last 13 years, exports from the V4 to LAC states increased by an average of five times the norm (Slovakia and Czech Republic noted the biggest growth, at six times),⁶ and total trade between both regions was almost three-fold higher (for example, Hungary's trade with LAC states grew from €620.5 million in 2000 to €1.7 billion in 2013).⁷ In terms of investment, the trend is even stronger, especially in foreign direct investment (FDI) flows from the V4 states to the LAC region. For Hungary, Poland, and the Czech Republic, outbound FDI to LAC is higher than inbound FDI from that region.⁸ Moreover, the increased investments, which have been traditionally limited mainly to the automotive sector, primary products and exploitation of mineral resources, now are being seen in new sectors. For Poland these areas include cosmetics (Inglot), postal services (InPost) and the ICT sector (eSKY).

Although the V4 countries have lesser-developed relations with the LAC states than other EU Members, they have a competitive advantage in at least two areas that could be held up as potentially fruitful. The first (and already partially explored) is the relatively high number of people of ethnicities found in the V4 states who are resident in LAC (e.g., 1.8 million Polish and 80,000 Hungarians in Brazil, and more than 30,000 Czechs in Argentina). They form the potential for tourism and the development of scientific or economic exchanges. The second is the CEE states' unique experiences with democratic transformation and adaptation to the EU *acquis*. The exchange of experience and technical advice between CEE and LAC public institutions (e.g., in the security and policing sectors) appear to be extremely important in helping to improve existing structures in Latin America and could become a new area for successful cooperation. Even though we should not expect bilateral relations between the two regions to be lifted to the "strategic" dimension any time soon, cooperation in an increasingly "No One's World"⁹ could become beneficial for both regions.

V4–LAC Cooperation: State of Play, Opportunities for the Future

In comparison with the other V4 members, Poland and Hungary seem to have the most active foreign policy in the LAC region. They are followed by Czech Republic then Slovakia. The intensity of the bilateral ties is to a large extent a derivative of the amount of economic trade (with Poland the leader) but there are also other factors that trigger the V4 to engage with LAC. Poland and Hungary aims at addressing their diasporas in the region. The Czech Republic and Poland plan to inject into the EU's relationships with Latin America states a measure of sensitivity to the protection of human rights. Finally, Slovakia has successfully attracted a number of promising investments, in Brazil for example.¹⁰ The priority countries for the V4 states in LAC include Brazil and Mexico as well as Argentina. Slovakia also sees potential in cooperating with smaller countries such as Colombia and Ecuador.

Poland

The motors of cooperation between Poland and LAC include economic diplomacy, Polish diaspora policy (so-called *Polonia*) and cooperation in the defence sector.¹¹ Brazil, Argentina, Mexico, Chile and Peru are seen as priority partners in the region with the potential for developing cooperation on climate change

⁶ Eurostat, "Import and export value in million euros: data for 2000 and 2013."

⁷ *Ibidem*.

⁸ A. Éltető, *Trade and Investment—Economic Relations between Central and Eastern European and Latin American Countries*, EU–LAC Foundation, May 2014, p. 8, www.eulacfoundation.org.

⁹ "No One's World" (a world in which no great power dominates and many nations jostle for power in the international system) is a term coined by Charles A. Kupchan in his book *No One's World: The West, the Rising Rest, and the Coming Global Turn*, Oxford University Press, New York, 2012.

¹⁰ Eurostat, "EU direct investments—main indicators: data for 2012," and "Brazil and Slovakia seek ways to grow together," *The Slovak Spectator*, 23 January 2012, www.spectator.sme.sk.

¹¹ Poland's diplomatic relations in LAC are managed through eight embassies, located in Argentina, Brazil, Chile, Colombia, Cuba, Mexico, Peru and Venezuela, as well as one consulate general in Curitiba (Brazil). Poland also has 47 honorary consulates, which cover most of the LAC countries except for Guyana, and some Caribbean islands.

policy and energy policy as well as in developing trade and investment relations.¹² Brazil, Argentina Mexico, Peru and Uruguay are important due to the presence of Polish descendants. Peru, Colombia and Brazil are strategic for developing military-technological cooperation.

Today, Poland's main trade partners in LAC are Brazil (with bilateral trade of €890 million in 2013), Mexico (€503.6 million), Argentina (€490.1 million), and Chile (€213.7 million). In terms of investment, Polish companies invested in particular in these countries (though only 1.7% of Polish FDI is LAC-bound). Polish exporters likely to succeed in LAC are companies from those particularly competitive sectors of the Polish economy that are compatible with the demands of the LAC markets. These include: chemicals (especially fertilisers); agricultural products; cosmetics; medical equipment and pharmaceuticals; construction materials; farming and mining machinery; furniture; and defence industry products. Brazil is the destination for Polish manufacturers of chemicals, Indian rubber, metal products, lighting equipment, large software companies, game developers, and pharmaceutical companies. Argentina is seen as an attractive market for Polish companies from the aviation sector and producers of mining and medical equipment. Given Mexico's recent reform of its oil and gas sector, Polish companies that specialise in the production of machinery and equipment for oil production have an opportunity to enter that market. In Chile, there is potential for Polish companies that specialise in operating mines, produce explosives or machinery and equipment for the mining industry (to support the activities of the KGHM Polish copper company in its Sierra Gorda mine¹³). Additionally, the producers of green technologies, cosmetics, snow cannons, yachts, light utility aircraft, and medical equipment may find Chile to be an attractive market. As for the prospects of Polish investments in LAC, the most likely potential destinations for Polish FDI in the region are Brazil (particularly in energy and infrastructure development); Mexico (food processing, auto industry, medical services); Chile (extractive industries, mining supply services); Colombia (agri-business, manufacturing, ICT); and Peru (agribusiness, ICT, and mining).

As for the policy towards the "Polonia" (out of 18–20 million people of Polish origin abroad, two million live in LAC),¹⁴ Poland is looking for innovative and attractive ways to engage with the Polish community there, as its ties to Poland have been loosened due to the distance and long period of separation from their home land (the mass emigration to LAC took place in the early 20th century). For example, in Brazil, Poland is working on opening a radio station about Poland in Portuguese (a large chunk of the diaspora does not even speak Polish anymore) and has joined the Brazilian scholarship programme "Science without Borders," which will offer 200 spots for Brazilians in Polish universities in the 2014/2015 academic year. Additionally, the Polish MFA has recently supported the "Smart Start" platform to enable youth with Polish origin or Poles who study abroad to acquire their first professional experiences (via fellowships or jobs) at foreign branches of Polish enterprises (in LAC, these companies include Selena and KGHM).¹⁵

In the defence sector, Poland concluded military-technological cooperation agreements with Peru, Colombia and Brazil in 2009–2010. The increased interest in developing cooperation with the LAC countries is chalked up to new export opportunities for Poland's defence industry. For example, Brazil's long-term reform of its armed forces and defence industry include the purchase of such things as air defences, night-vision devices, mortars and missiles and coincides with Poland's Polski Holding Obronny's (PHO) goal to find new potential exports to and cooperation with third country markets, including those in South America. PHO is even interested in opening an office in one of Brazil's cities.¹⁶

Hungary

Hungary regards LAC as one component of its global opening policy announced in 2011 that aims at revitalising the country's ties with those parts of the world that have been accorded less importance in

¹² "Foreign Policy Priorities 2012–2016," Ministry of Foreign Affairs of Poland, 29 March 2012, www.msz.gov.pl.

¹³ In 2012, Polish mining giant KGHM Polska Miedź invested about \$3 billion in Chile, which is a record Polish investment abroad. The presence of KGHM in Chile increased the visibility of Polish companies in South America and could stimulate further expansion.

¹⁴ Brazil (about 80,000 to 3 million), Argentina (200,000–450,000), Mexico (10,000), Paraguay (10,000), Uruguay (10,000), Peru (5,000), Colombia (3,000), and Venezuela (3,000). The biggest group of Polish descendants in Central America lives in Costa Rica, including Jewish people of Polish descent, who create a positive atmosphere in bilateral relations. See: Polish Community Association, "Polonia in the World," wspolnota-polska.org.pl/polonia_w_liczbach.html.

¹⁵ Smart Start, www.inteligentnystart.org.

¹⁶ "Cooperation with Latin American countries, Brazil," Ministry of Economy of Poland, p. 7, www.mg.gov.pl.

Hungary's foreign policy focus in past years.¹⁷ Since then, it has organised such things as the first Hungarian Latin American Forum, in 2013, aimed at enhancing the relationship with the region (a second forum is foreseen in the second half of 2014), established the Mexican–Hungarian Economic Commission, which works on the renovation and reactivation of agreements on business, scientific and technical cooperation (also in 2013), and re-opened an embassy in Chile and a consulate and trade office in São Paulo in 2014.

Hungary intends to promote itself in the region and to bolster cooperation with Latin American countries on matters of the economy (Mexico, Brazil, Argentina and Chile), higher education (Brazil, Chile) and science and technology.¹⁸ Mexico and Brazil are seen as its traditional partners in LAC (as of 2013, out of €808.5 million in exports to the whole of LAC, €678.2 million went to Brazil and Mexico).¹⁹ Countries such as Brazil, Argentina, Venezuela, Uruguay and Chile are important for Hungary in its relations with LAC because of the presence of Hungarian descendants there (estimated at 150,000 to 200,000 people), to whom Hungary promotes its traditional culture. Because of the low number of diplomatic representations in LAC, Hungary's consular policy priority is currently to find an alternative presence on the ground.

Hungarian trade with LAC has been constantly growing in recent years, chiefly thanks to Mexico. Total turnover with LAC amounted to €620.5 million in 2000, and €1.7 billion in 2013.²⁰ Today, 90% of Hungarian exports to Latin America goes to four countries (Mexico captures more than 50%, while 40% is split among Argentina, Brazil and Chile), but it wishes to diversify its trade partners further. The future of trade relations could develop to include products such as wine, textiles, machinery, the paper industry, cosmetics and the new field of tourism. Hungary wants also to invigorate cooperation among SMEs in high technology and productivity. Recently, it has been looking closely at the Pacific Alliance (which in addition to Mexico and Chile also includes Colombia and Peru). Possible fields of cooperation with this group include R&D, the food industry, automotive industry, pharmaceuticals and renewable energy.

In terms of cooperation in higher education, Hungary joined “Science without Borders” and funds two other government scholarship programmes. The first is through the Balassi Institute, which offers scholarships for academics and researchers from Argentina, Brazil, Chile, Colombia and Mexico.²¹ The second is through the newly established “Stipendium Hungaricum,” which is open to 25 students from each country that has signed a bilateral educational work plan agreement with Hungary (including Argentina, Chile, Colombia, Paraguay, Uruguay).

Finally, in its effort to increase its diplomatic representation in the region (Hungary has only four embassies in the region, in Argentina, Brazil, Mexico and Chile),²² it has several ideas. The first is to create a post of Ambassador at Large for the Andean region. A second is to promote more Hungarian diplomats within the EEAS, which has a vast network of embassies (of 139 EU delegations and offices, 21 are situated in LAC states) or to locate some Hungarian foreign service positions among the representations from other V4 countries. A third idea is to create a broader network of honorary consulates—it now has 33 in 17 countries (Poland has 47). It also supports the idea that EU representations should be the focal point of consular services, including issuance of visas and, especially, the protection of the interests of EU citizens abroad.²³

Czech Republic

Similar to Hungary, the Czech Republic has sat up and taken notice of LAC in 2011. This is primarily down to its active policy of diversifying the range of Czech economic and trade contacts with non-European countries. The Czech Republic, as with the other V4 members in relations with LAC countries, focuses on developing cooperation in trade and investment (concentrating on Mexico and Brazil). A second area is, like

¹⁷ “Hungary's Foreign Policy after the Hungarian Presidency of the Council of the European Union,” Government of Hungary, 2011, www.kormany.hu.

¹⁸ “Hungary opens towards Latin America,” *Diplomacy and Trade*, 13 March 2014, www.dteurope.com.

¹⁹ Eurostat, “Import and export value in million euros: data for 2013.”

²⁰ Eurostat, “Import and export value in million euros: data for 2000 and 2013.”

²¹ The Balassi Institute, www.balassiintezet.hu.

²² There are embassies of Argentina, Brazil, Chile, Ecuador, Mexico, and Venezuela in Budapest. See: Representations of LAC in CEE countries, *Latin America, the Caribbean and Central and Eastern Europe: Potential for Economic Exchange*, EU–LAC Foundation, May 2014, pp. 45–47.

²³ “Countries want joint EU consulates, survey says,” *EU Observer*, 30 June 2014, www.euobserver.com.

with Slovakia, collaboration in academia (with Argentina, Mexico, and Peru). Also, the Czech Republic, together with Poland, is active in shaping EU policy towards LAC, in particular towards countries such as Cuba, where the human rights violations are reported.

Czech exports to LAC have seen a huge increase in recent years. In 2013, exports amounted to €952 million, or four times what it was in 2004 (€236 million).²⁴ In the last 13 years, exports have grown most rapidly with Mexico, Brazil, and Argentina, which today are Czech Republic's main trade partners.²⁵ The economic and trade interests are still growing, which is reflected by the opening of a consulate general in São Paulo (Brazil) in February 2012 and by reopening an embassy in Colombia in November 2013. This is a big change for the Czech Republic since in the last two decades it has been closing rather than launching new offices in the region (eight such embassies in LAC).²⁶

As for the business opportunities, the Ministry of Industry and Trade, in its new "Export Strategy of the Czech Republic for the 2012–2020," singled out two LAC states from 12 priority countries beyond the EU: Brazil and Mexico. Today, they make up two-thirds of total exports to LAC (€321.4 million and €363.8 million in 2013, respectively). Argentina, Chile, Colombia, and Peru are mentioned among a target group of interest countries (25 total).²⁷ Simultaneously, the Czech Foreign Ministry earmarked special funding for model projects in support of economic diplomacy. The priority are modern technology sectors with high added-value (ICT, biotechnology, environmental technology and services, as well as engineering and energy industries, water management, automotive industry, transport, and food processing technologies). There are a few important investments between the Czech Republic and LAC, for example, the acquisition of Czech firearms manufacturer Sellier&Bellot in 2009 by Brazilian firm CBC or the collaboration between Embraer and AERO Vodochody on the development and production of military transport planes. The Czech Republic is also the main V4 investor in Mexico, with €19.4 million invested by 37 companies in 1999–2013.²⁸ Currently, there are several prospects for Czech companies in the Brazilian energy and ecology sectors.

Besides the economic dimension, the Czech Republic has also shown new impetus for cooperation in academia. Under bilateral international agreements, the government of the Czech Republic offers a number of scholarships for Argentines, Mexicans and Peruvians. In addition, it also has joined "Science without Borders," and some individual Czech universities, such as the University of Economics in Prague, offer double degree programmes on the Latin American region with the possibility to study half of the time in Bolivia, Argentina or Chile (soon, it will include Brazil, Mexico, Peru, Uruguay and Venezuela). What's more, the Czech Republic and Colombia have recently started cooperation in sharing experience in the mining sector. The project envisages joint training for experts from mining colleges and in sharing experience in security for mines and environmental protection.²⁹

Due to the Czech Republic's strong commitment to the protection of human rights, it is active in shaping EU policy towards Cuba. For example, this is seen in EU policy towards Cuba, with Poland and the Czech Republic jointly and with other Member States such as Sweden, the Netherlands and Germany taking up the issue. The Czech Republic remains sceptical of recent EU attempts to deepen political and economic ties with Havana.³⁰

²⁴ Eurostat, "Import and export value in million euros: data for 2004 and 2013."

²⁵ Exports to Mexico grew from €26.9 million in 2000 to €363.8 million in 2013, to Brazil from €51.4 million to €321.4 million, and to Argentina from €11.4 million to €74.1 million. Data from Eurostat, "Import and export value in million euros: data for 2000 and 2013."

²⁶ The closure of the embassies was a result of budgetary constraints but also due to new possibilities, including cooperation with other EU countries on the ground or EU delegations. Now it has seven embassies in LAC (Argentina, Brazil, Chile, Colombia, Cuba, Mexico, and Peru). There are seven diplomatic representations of LAC states in Prague: Brazil, Chile, Cuba, Mexico, Peru, Uruguay, Venezuela. See: "The Czech Republic's Foreign Policy in 2011: A Brief Overview," Czech Republic MFA, www.mzv.cz.

²⁷ "Export Strategy of the Czech Republic 2012–2020," Czech Republic Ministry of Industry and Trade, www.mpo.cz.

²⁸ M.C. Silvia Parejas, "Potential of Exchange between Mexico and CEE Countries," in: *Latin America, the Caribbean and Central and Eastern Europe: Potential for Economic Exchange*, EU–LAC Foundation, May 2014, p. 16.

²⁹ "Visit of Martin Kuba, Minister of Industry and Commerce in Colombia, 25 June 2012," Czech Republic MFA, www.mzv.cz.

³⁰ B. Fox, "EU to Open Trade Talks with Cuba," *EU Observer*, 11 February 2014, www.euobserver.com.

Slovakia

Slovakia is the least visible LAC partner among the V4, partially as a result of its size and limited experience in dealing with the LAC countries. Therefore, to pursue its foreign policy and economic interests in LAC, Slovakia uses existing formats of EU cooperation with other countries and integration alliances in the region, as well as multilateral platforms from which it can benefit. For example, it explores ways for the V4 to be a suitable format for cooperation with LAC countries (it has already held talks with Argentina on the issue). Finally, as with Hungary, one of the priorities of the Slovak consular service is to develop a network of consulates engaged in economic activities in Latin America.

Slovakia is the smallest LAC trade partner, with exports to the entire region accounting for about 0.5% of its total exports.³¹ In 2013, total Slovakia's trade turnover with Latin America amounted to €372.5 million, which is even less than Poland's exports to Mexico in the same year.³² Slovakia's main trade partners include Brazil (with bilateral trade of €139.1 million in 2013), Mexico (€111.4 million) and Argentina (€35.2 million).³³ Still, as with the other V4 countries' interests in LAC, Slovakia focuses mainly on improving business and economic aspects of cooperation.³⁴ The industries with the most potential for Slovak companies are tools, machinery, metal products, construction, plastics, pharmaceuticals, chemicals, agriculture and food processing, energy, electronics and technology. Brazil is a potential market for Slovak manufacturers of tools, machinery, metal products, plastics, pharmaceuticals, and chemicals. In Mexico, the areas with specific opportunities for development of broader cooperation with Slovakia include agriculture and food processing. In Argentina, there is scope for further development of interaction, in particular in energy and agriculture. In Colombia and Ecuador, Slovakia sees opportunity for its companies to engage in local projects, in particular in energy, electronics and technology as well as in infrastructure construction and renewables.

Paradoxically, despite limited trade with LAC there is return interest in Slovakia. For example, Brazil's biggest investments in the V4 are in Slovakia (with the largest being made in 2009). Slovak data show Brazil's investments amount to €516.4 million (Eurostat shows €164 million).³⁵ Four companies with Brazilian capital are active in Slovakia. The first to invest was Embraco, operating in Slovakia since 1998 and a producer of compressors for refrigerators and air conditioning units. The company chose Slovakia because at that time it offered better labour costs than Hungary or the Czech Republic.³⁶ Afterwards, Embraco suppliers, such as CRW Plásticos (a producer of injection moulds for the plastics industry), and Rudolph Usinados SK (a metalworking and machine tool producer) located there as well. Also riding the Embraco wave, another Brazilian company, Micro Juntas SK, which manufactures insulators and seals for compressors, made investments in 2004 in Slovakia. All three of the supplier companies are based in Spišská Nová Ves in the eastern region of Slovakia, an area that has traditionally had high unemployment.³⁷

In addition to trade and investment, Slovakia strives to develop culture, science, and research with its main trade partners in LAC. For example, with Brazil it seeks to share its experience in the transformation process, including building democratic institutions and security system reform. Beyond that, Slovakia and Brazil are considering joint projects related to their experiences with the transformation process for third countries. Such possible cooperation could take place within the CETIR Programme of the Slovak Foreign and European Affairs Ministry, which is aimed at transferring the country's experiences with integration and reform. With Argentina, Slovakia intends to sign an intergovernmental agreement in science and research, already in preparation. Even though Slovakia is the only V4 country that has not yet joined the Brazilian "Science without Borders" programme, the Slovak government funded its own scholarships (for bachelor and master's degree studies) in the academic year 2013/2014 for candidates from Ecuador and Colombia.

³¹ Eurostat, "Import and export value in million euros: data for 2013."

³² *Ibidem*.

³³ *Ibidem*.

³⁴ "Report on the Fulfilment of Foreign Policy Tasks of the Slovak Republic in 2011," Slovakia MFA, www.foreign.gov.sk.

³⁵ Eurostat, "EU direct investments ...," *op. cit.*; "Brazil and Slovakia seek ways to grow together," *The Slovak Spectator*, 23 January 2012, www.spectator.sme.sk.

³⁶ T. Nicholson, "Embraco Bullish on Quality," *The Slovak Spectator*, 13 November 2000, www.spectator.sme.sk.

³⁷ "Brazil and Slovakia seek ways to grow together," *The Slovak Spectator*, 23 January 2012, www.spectator.sme.sk.

Challenges to Cooperation

The latest global financial crisis created the conditions for the V4 states to look to LAC with more interest. The V4 countries recognise that the internationalisation of companies is a necessary step towards making their economies more competitive. However, the renewed interest in the economic sphere reflected by the tripling of bilateral trade between the regions in the last 13 years has not yet translated into an expansion of bilateral relations in other areas. It happened in the 1990s when Central European countries discovered Latin American experiences in democratic transitions and were looking for inspiration from the other side of the Atlantic (for example, some Chilean solutions were adopted into the Polish pension system). Paradoxically, as it is today this interim sense of admiration did not translate into an expansion of bilateral relations in the long run. The reasons for this are found in at least four barriers to forging links between the two regions.

First, geography and size matter. It is hard to imagine that Brazil, which is 15 times larger in terms of territory, three times in population, and two and half in real GDP (\$2.2 trillion vis-à-vis \$903 billion) than the whole V4, would see the individual countries of the group as meaningful partners in the EU (in 2013, out of five priority countries Brazil was generally the least interested partner in developing cooperation within the Polish programme “Priority Directions for Poland’s Economy” coordinated by the Ministry of Economy).³⁸ If we add up the special cultural and linguistic links that the LAC countries have with Spain and Portugal and former long-term relations with Germany or France, we notice that developing V4–LAC ties will not happen overnight. Moreover, the growing presence of China in South America, reflected in trade (it overtook the U.S. as Brazil’s main trade partner), and in financial aid (China contributed more than \$100 billion in aid to such countries as Venezuela, Argentina and Brazil) gives China priority in relations with LAC. At the same time the V4 states were integrating to EU structures, Latin America was gaining more self-confidence, and some countries pivoted to Asia, thus it is now even more difficult for the V4 states to gain their attention.

Second, the V4 is not a coherent bloc of countries but rather a coalition of countries willing to cooperate. Therefore, the V4 countries compete rather than cooperate in the LAC markets. Not only do they promote themselves similarly (an attractive geopolitical locations in the middle of Europe with easy access to Eastern European markets, stable economies, relatively cheap and well-qualified labour forces) but also they aim for the same sectors of the LAC markets. All of the V4 states see Mexico, Brazil and Argentina as their top three partners in LAC (for Czech Republic and Hungary, Mexico is the primary partner, while for Poland and Slovakia it is Brazil). These priority countries are followed by Chile, Colombia, and Peru. All of the V4 countries compete in similar industries—automotive, chemicals, pharmaceuticals, and agri-food.

Third, there are scarce institutional ties and an information gap. After the regime changes in the V4 countries, contacts with the LAC states suffered from abandonment. This change was visible in the closure of some embassies (for Poland, three embassies and two general consulates in the last six years; for the Czech Republic, eight embassies in the last two decades), infrequent high-level visits, declining university and academic contacts, and a lack of money and fellowship opportunities for research.³⁹ Even though the closure of the diplomatic missions did not mean that the V4 countries’ attention to LAC was shrinking (though budgetary constraints and new possibilities, including cooperation with other EU countries or EU delegations made for changes), it resulted in some difficulties in getting pertinent information, for example, for businesses trying to operate in countries without any diplomatic representation or trade and investment promotion office. Also, LAC was integrated into the Americas department in all of the V4 ministries of Foreign Affairs. Given the fact that this department is responsible for relations with the United States, Canada, and 33 other countries, the Latin American and Caribbean region lost focus on a daily basis.

Fourth, Central Europeans still are “rule-takers” rather than rule-makers of EU policy towards LAC. Although the LAC countries have become much “closer” and more “accessible” thanks to the V4 countries’ accession to the EU (mostly because of the number of areas in which the EU collaborates with LAC states and in which the V4 is therefore involved), the older EU Member States seek to monopolise the Latin America-related decision-making process. On the other hand, within CFSP or EEAS, the V4 countries still focus more on the Eastern Partnership countries than EU relations with LAC. In addition, the V4 states

³⁸ The other partners were: Algeria, Canada, Kazakhstan, Turkey.

³⁹ B. Wojna, “Rediscovering Latin America ...,” *op. cit.*

do not engage with the EU's decentralised cooperation programmes, which offer exchanges of experience and technical advice between European and Latin American public institutions and the private sector. For example, this is the case with several programmes, including EUROSOCIAL, which is an instrument that provides institutional cooperation, or peer-to-peer learning, between public institutions, UBRAL, which is designated for cooperation between local and regional entities, and AI-Invest, which aims to support the internationalisation of SMEs.

Recommendations

If enhanced economic cooperation is to translate into an expansion of bilateral relations in other areas, the following actions could be taken by the V4 states.

First, due to the size and scale of some of the emerging Latin American economies, the V4 countries, through joint efforts, could provide better stimulus for cooperation with the LAC region. They could think about a joint political dialogue between V4 political directors and specific countries (e.g., Brazil, Mexico) or with the subregional integration groups such as Mercosur or the Pacific Alliance. Despite a recent trend to develop closer ties with the Pacific Alliance, the V4 states should give proper attention to Mercosur, as Brazil and Argentina are still among the V4 countries' top trade partners in the region. For instance, as of 2013, Polish trade with Mercosur accounted for €1.94 billion, compared to €1.07 billion with the Pacific Alliance. Regular V4 meetings with LAC countries would automatically stimulate a dialogue among the V4 countries' Americas directors at their respective ministries of Foreign Affairs and they could meet for regular consultations to coordinate external activities towards LAC and to plan joint activities. The past 2–3 years have already seen an upsurge in the V4+ format talks, and not just with other EU countries (Bulgaria, Romania, Baltic and Nordic countries). They have included such countries as China, South Africa, and Japan (there is also interest from India and Pakistan). So including LAC states would fit with the current trend of the V4 becoming more visible globally as well as more open internally to establishing V4+ format cooperation. A good example of a joint V4 project in LAC is the roundtable organised in the Mexican Senate by all of the V4 countries' embassies on the state of play and possible areas of cooperation with LAC.⁴⁰ The V4 states could think about launching more joint initiatives in LAC, such as the “European Quartet—One Melody” initiative, which is aimed at promoting the region jointly in Brazil, or by recognising that the four countries not only share the neighbourhood and similar geopolitical conditions but also a common history, traditions, culture and values. If the initiative is successful, it could pave the way for initiatives in common in other areas.

Second, in terms of trade and investment promotion, the V4 states could coordinate and cooperate on activities to promote their products in LAC and attract more investment to the V4 region. In order to fill the information gap, the V4 states could establish an information-sharing network. All of the countries have, for example, either a chamber of commerce or an economic section at their embassy in Brazil. Therefore, it would be recommended to jointly prepare information packages for Brazilian businesses on how to export to the V4 states, indicating specific sectors for each country (for example, the automotive sector for the Czech Republic, agri-food for Hungary, etc.). Additionally, the network could serve the V4 states by identifying strategic sectors in Brazil where there is opportunity for additional exports. Businesses should be encouraged to make greater use of the information and support provided by their embassies as the very first points of contact, as well as to use the expertise of the main trade-and-investment promotion agencies, in particular the Brazilian Trade and Investment Promotion Agency (Apex-Brasil).

Third, the V4 states could think about increasing their presence in the region by establishing Visegrad Houses in the region (the V4 has already established a House in Cape Town, and there are plans to open a similar office in Vietnam) or share V4 diplomatic missions. The priorities under Slovakia's and Hungary's consular policies show that the countries are currently aiming at reopening their diplomatic representations in the region. As Poland has the most diplomatic representations among the V4 states in LAC, it could share its diplomatic missions with other V4 countries (for example, in Venezuela, where Hungary has no diplomatic representation but a number of its descendants). Additionally, in strategic places (for example in São Paulo in Brazil or Monterrey in Mexico) or where no V4 country has diplomatic representation (such

⁴⁰ “Working Group in the Senate of Mexico,” Czech Republic MFA, 19 February 2014, www.mzv.cz.

as Uruguay, where there are people of Polish and Hungarian origin but no V4 country has an embassy), Visegrad Houses could be established.

Fourth, the V4 should invest more in “track-two” diplomacy, especially in the field of higher education and science and technology. The development of social relations and broadening networking possibilities could stimulate future cooperation between the regions. Such initiatives as “Smart Start” in Poland or the Working Holiday agreement to be signed between Hungary and Chile that enables young citizens to work on a temporary basis in either country are a good start.⁴¹ The V4 states could make use especially of the European Union–Latin America and Caribbean Foundation, which has been in operation since 2011. It aims to connect thematic networks and to increase interaction between civil society and governments to foster participation of civil society in the bi-regional partnership. It also tries to increase the participation of social actors to improve mutual understanding and the visibility of both regions and of the bi-regional partnership itself.

Fifth, the V4 states should engage more in shaping EU policy towards LAC and be more involved in programmes the EU already has to offer. Even though a democratisation agenda of support for the rule of law, strengthening civil society and sharing systemic transformation experiences with other countries is carried out by all of the V4 members, they are not active in this field in cooperation with LAC states. What is more, the V4 should engage more deeply in projects that the EU already offers to LAC, foremost EUROSOCIAL. All of the V4 states during their transformations benefited from the PHARE programme (Poland and Hungary Assistance for Reconstruction of the Economy) and therefore have experience with “twinning” (sharing experiences between specific institutions from a candidate country and a partner institution—in case of the V4 states these partners included France, UK, Finland, Italy, Austria, Germany, Spain, the Netherlands, Sweden and Denmark). Now the V4 states could take part in such peer-to-peer learning with public institutions from the LAC countries.

⁴¹ “Hungarian embassy reopens in Santiago de Chile,” *Diplomacy and Trade*, 8 January 2014, www.dteurope.com.