Final Report

Study on Relations between the European Union and Latin America. New Strategies and Perspectives

For the Project:
"Latin America – Study on Relations between the European Union and Latin America. New Perspectives"
(Contract RELEX-I-2-2004-LATIN AMERICA-1)

Madrid, 14 November, 2005

Christian Freres and José Antonio Sanahuja

INSTITUTO COMPLUTENSE DE ESTUDIOS INTERNACIONALES
Universidad Complutense de Madrid
Campus de Somosaguas
Finca Más Ferré, Edif. A
Pozuelo de Alarcón (Madrid) 28223. España

This report was prepared with financial backing from the European Commission (General Directorate of External Relations). The contents are the exclusive responsibility of the authors and should not in any case be considered to reflect the opinion of the European Commission nor the Instituto Complutense de Estudios Internacionales, nor any other bodies with whom the authors are affiliated.

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Glossary of Acronyms

ACP	Africa, Caribbean and Pacific (Group of countries)
AE	*Associación Estratégica* (Strategic Association/Partnership)
AIDCO	EuropeAid Cooperation Office
ALFA	*América Latina, Formación Académica* (Latin America, Academic Education)
APEC	Asia-Pacific Economic Cooperation
BCIE	*Banco Centroamericano de Integración Económica* (Central-American Bank for Economic Integration)
BRIC	Brazil, Russia, India and China
CAF	*Corporación Andina de Fomento* (Andean Development Corporation)
CAFTA	Central American Free Trade Association (with USA.)
CAN	*Comunidad Andina de Naciones* (Community of Andean Nations)
CAP	Common Agricultural Policy
CEFIR	*Centro de Formación para la Integración Regional* (Training Centre for Regional Integration)
CFSP	Common Foreign and Security Policy
CSN	*Comunidad Sudamericana de Naciones* (South American Community of Nations)
CSO	Civil Society Organisations
DAC	Development Assistance Committee (of the OECD)
DG	Directorate General
DG Relex	Directorate General for Foreign Affairs (European Commission)
EC	European Commission
ECIP	*European Community Investment Partners*
ECOSOC	Economic and Social Council of the United Nations
EESC	European Economic and Social Committee
EIB	European Investment Bank
ESDP	European Security and Defence Policy
FOMIN/ MIF	*Fondo Multilateral de Inversiones*/ Multilateral Investment Fund MIF (of the IDB)
Fonplata	Financial Fund for the development of the River Plate Basin
FTAA	Free Trade Area of the Americas
G20	Group of 20 (developing countries negotiating with the WTO)
IADB/IDB	Inter-American Development Bank
ICANN	Internet Corporation for Assigned Names and Numbers
ICT	Information and Communications Technology
IFI	International Financial Institutions
IIRSA	*Programa de Integración de la Infraestructura Regional Sudamericana* (Programme for Regional Infrastructure Integration in South America)
IMF	International Monetary Fund
LA	Latin America
MDG	Milennium Development Goals
MEDA	Euro-Mediterranean Partnership
Mercosur	*Mercado Común del Sur* (Common Market of the South)
MS	Member States (of the EU)
NAFTA	North America Free Trade Agreement
NIFA	New International Financial Architecture
9/11	11th September 2001, terrorist attacks in the USA
OAS	Organisation of American States
ODA	Official Development Aid

OECD	Organisation for Economic Development and Cooperation
OSCE	Organisation for Security and Cooperation in Europe
PIDS	*Plan Integrado de Desarrollo Social Andino* (Integrated Social Development Plan for the Andean Countries
PRSP	*Poverty Reduction Strategy Paper*
RSP	*Regional Strategy Paper*
SICA	*Sistema de la Integración Centroamericana* (System for Central-American Integration)
TRIPS	Trade Related Aspects of Intellectual Property Rights (WTO Agreement)
UN	United Nations Organization
USA	United States of America
WTO	World Trade Organization

Presentation

I. This report* presents the results of the project, "Study on Relations between the European Union and Latin America: New perspectives" (RELEX-U-2-2004-LATIN AMERICA Contract), carried out by the Instituto Complutense de Estudios Internacionales (ICEI), under the direction and coordination of Christian Freres and José Antonio Sanahuja. The study counted on the support of Esther López as a researcher, as well as that of Celestino del Arenal and José Antonio Alonso who carried out research and were members of the Project Management Committee. Throughout the entire project we kept in constant contact with the person responsible for it at the Directorate General for External Relations (DG RELEX) of the European Commission, Lorenzo Antón-Santos, as well as the Director for Latin America, Tomás Dupla del Moral and the adviser Rafael Gelabert, whose support -- together with that of other staff at the Latin American Directorate– we are extremely thankful for.

II. The main report was drawn up on the basis of five studies conducted in countries and sub-regions in Latin America, nine studies on member States of the European Union, and one study on the perspective of EU institutions in Brussels. Five other studies on subjects that are of cross-cutting relevance were also written. For the preparation of these studies, a wide-ranging team of Latin American and European experts were involved (a complete list of these studies and their respective authors has been included in the Appendices.) Between January and July 2005 some 250 interviews were conducted with persons involved in Euro–Latin American relations in the two regions and in the United States (to whom we are most grateful). During the course of the project, the researchers also attended a series of seminars, lectures and academic activities related to the issues being investigated, so the contacts and enquiries made went far beyond the formal interviews. All the main researchers involved in the project got together at a workshop in Brussels, in early June 2005 to share and exchange the information that they had collected and to structure the final country reports in a standardised way. While there they also took the opportunity to present the preliminary results to the services of the Commission and to the Latin American Group of Ambassadors to the European Union (GRULA) in Brussels.

III. In brief, the project was developed over a relatively short period of time, but a very intense process of analysis, research and consultation was involved, and we believe that we have achieved major and significant results, which are presented here. All those who took part in the process did so with great enthusiasm inspired by their desire to make a contribution to a cause that we all believe in: improving relations between the European Union and Latin America through developing a new strategy. We hope that this document proves to be useful to the process for which the DG RELEX is responsible.

Madrid, November, 2005

José Antonio Sanahuja
Head, Cooperation and Development Department,
ICEI

Christian Freres
Associate Researcher
ICEI

* The original report is in Spanish. This version was translated by Alison Rohe, Fionnuala ni eigeartaigh and the team of Abaco, under the supervision of Christian Freres.

Executive Summary

- The assertion that **relations between the European Union (EU) and Latin America (LA) are at a standstill** is not new. Neither of these regions appear to have convergent interests, and their lines of action often cross over without actually meeting which makes dialogue difficult. In this biregional relationship there are accumulated assets and many meeting points exist, all of which constitute the seeds of renewal for a biregional relationship which today is facing difficulties and appears to need a major overhaul. This is the report's initial premise; a premise that, for the most part, is supported by the analysis carried out by a team of 24 people from both regions, perceptions gathered in more than 250 interviews carried out in both Latin America and Europe, and a thorough document and bibliographic review.

- The report's structure sets out, as coherently as possible, the points of connection found in the "strategic" relationship between the EU and Latin America. All of the information has been classified around **four basic pillars, which are also the goals of the biregional association/partnership:** (i) development and social cohesion in LA; (ii) international autonomy for LA; (iii) the EU's external projection in LA; and (iv) strategic strengthening of the relations between both regions. These four pillars are complemented by a special one regarding the Vienna Summit. This basic framework is what guides the two parts of this report. The first part consists of analysis of the scenarios and trends within which the relations between these two regions unfold. The second part of the study contains the report's conclusions and sets forth the proposals for change and new channels of action that can be established between both regional groups.

- In the first part, a very **synthetic description is given of the current situation and possible future scenarios for both regions, and the negative and positive options** that exist with regard to EU-LA relations are set forth. Both regions are inevitably involved in the process of global restructuring and this poses common challenges. Both the EU and LA take part in the international arena as regional groups that do not act to their full potential, which is partly because their role as "regions" is undergoing a review process and to date they have not consolidated their regional identities. The EU, after its enlargement, is undergoing profound internal reform. And for its part, Latin America is plagued by regional problems that are often dealt with from national perspectives, which weaken its actions and its role as a regional group.

- What aspects should the relationship between both regions focus on in order to strengthen their integration? The answer to this question leads us to propose a scenario, somewhere between optimistic and pessimistic alternatives. The proposals put forth in the second part of the report reflect this intermediate scenario. These proposals include medium and long-term objectives for each one of the pillars previously mentioned and they identify the instruments and actors needed to achieve them.

- With regard to the section on *development* and *social cohesion*, the central issue taken into consideration is the **complex nature of inequality in LA, one of the main challenges confronting the region's development, which obliges the EU to modulate its aid in order to reflect different problems** and realities. Among the various proposals included, the suggestion is made to promote this issue more forcefully on the international agenda and in biregional dialogue. Moreover, a strategy would have to be defined that specifies objectives, goals and instruments related to this issue. It is just as important to link social cohesion with economic development (for example by means of employment policies) because they are challenges that complement each other. Finally, the topic could be included in the association agreement negotiations as part of a wider agenda which goes beyond the commercial aspect of these agreements.

- In relation to the main proposals that are focused on fostering Latin America's *international autonomy*, this region has accepted the idea that **proper insertion into the international system requires regionalist strategies**. This, however, refers to a "light" and "selective" regionalism, that does not have the necessary social support and is not very effective in terms of ensuring an agreed upon strategy. Strategies are not clear and sometimes government agendas and trade negotiations pursue different goals which on occasion belie the declared commitment to regional integration. Perceptions on the future of integration are very different, and a certain degree of skepticism prevails in regard to sub-regional groups and the South American Community of Nations (SACN). The European Union has supported and should continue to support these processes and furthermore it should pay attention to the evolution of new schemes which could produce good results. However, a broader integration support strategy must be prepared that recognize the non-trade components of integration, like energy, physical infrastructure, trans-border cooperation and civil society networks. This strategy should also pay closer attention to the link between integration, democratic governance, public policies and cooperative security.

- The **EU does not have the presence that it ought to have in Latin America**, because of, among other factors, the lack of coordination between EU bodies and member states and the lack of resources for its aid policy. The overall perception is that the Strategic Association is neither credible nor viable because of this problem. The trends are not positive with respect to the increase of resources, which is why additional channels need to be explored, like a new credit facility from the European Investment Bank (EIB); more coordinated activity by the EIB, the Inter-American Development Bank (BID), the Andean Development Corporation (CAF) and other sub-regional banks; coordination of Community aid and that of member states; the proposal for a "Biregional Solidarity Fund", which is supported by various actors; and the support of new sources of funding for development to promote the Millennium Development Goals. It will also be important to strengthen the Commission's capacities and improve internal coordination in the EC.

- **The cornerstone of the EU's projection in LA is mutual understanding between the two regions**. This can be strengthened with the renewal of the EU's Delegations at the institutional level, and with an increase in academic and research exchanges (Erasmus Mundus, restoration of Latin American research centers in the EU and European ones in LA). In this regard, the proposal is made to renew efforts to develop the association/partnership agreements within

the Commission and with member states. Finally, as a specific recommendation, it is suggested that the possibility of creating a biregional foundation (of a public-private constitution) with a varied agenda be explored.

- **To promote the Strategic Association/Partership, both regions must improve their multilateral strategies in areas where there is consensus**, like reform of the United Nations, cooperation with middle-income countries, conflict prevention and peace-building, global governance in environmental issues and review of the multilateral framework on illicit drugs. The report advocates the development of a **network of Association Agreements**, but with a more flexible model of agreements. The signing of these Agreements is today the sign of success or failure of biregional relations –something that should be taken into consideration at the Vienna Summit in 2005–, but it is also necessary to revise their design and to develop non-trade aspects of the Agreements.

- Lastly, there is a section dedicated to Summits, in particular the Vienna Summit. Clearly, the **Summits are perceived as an important mechanism because they provide visibility. However they should contribute more to relations**. This explains, especially in anticipation of the IV Summit in 2006, why the proposal is made for their reform –in order to improve their effectiveness and utility. Thus, from a formal point of view, some degree of institutionalization is suggested, which would grant them a greater continuity in their work. Moreover, this would strengthen the role that they could develop as one of the mechanisms for dialogue between both regions, in which members of civil society should also be included. In terms of their content, they should promote more dimensions besides those that are merely economic. In this sense, it is advised that the debates focus on a few specific topics and adopt concrete proposals for each of them.

- In short, all of the proposals consider the **initiation and maintaining of dialogues with all the relevant actors at different levels, both formally and informally**. In doing so, more favorable conditions will be created to bring together both regional groups' interests. The importance of making participation available to all of the affected social actors, both public and private, is continuously stressed. Likewise, increased coordination among Community institutions themselves and with EU member states is considered very necessary in terms of maximizing the available resources.

I. Introduction

Perceptions, realities and reciprocal knowledge

In academic and political circles that follow relations between the European Union (EU) and Latin America (LA) one **prominent debate is whether or not Europe has "abandoned" Latin America**. On one side of the controversy are those who are of the opinion that the EU's concern for Latin America, which was never great, is decreasing even more, amongst other reasons, due to the adhesion of ten new member states that do not have much interest in the region; to the New Neighbourhood policy, which leads the EU to focus its attention on those countries that lie closest from a geographical perspective; to the increased emphasis placed on security after the attacks on the 11th of September 2001; to the new general international consensus with respect to the Millennium Declaration, which makes the poorest countries in Africa and Asia a priority where European development cooperation is concerned; to the perception in some circles that "Latin America has failed", disappointing European expectations with regard to social reform, "good governance" and a deepening of regional integration. As a result, the perception is becoming more widespread, that the European Union has failed to live up to expectations of economic aid, political commitment and providing Latin American countries access to its market. The European Union was seen as the great development "alternative" to overcome the internal and external problems of Latin America, but for many reasons it did not happen this way, and now there is a tendency to blame the European Union for **Latin America's failure to live up to expectations in terms of economic development, democratic consolidation and international insertion.**

On the other side of the controversy are those people who argue that these facts must not eclipse the major breakthroughs such as the two Association Agreements signed with Mexico and Chile; and the political consensus forged by the two regions around the international agenda. The fact that negative trends, including a reduction in cooperation resources from the Community, have been successfully derailed for the moment is seen positively. For this group, the situation could be even worse.

In the end, **this controversy would appear to lead to a "dialogue between deaf people"** in which mutual accusations predominate as well as an atmosphere of suspicion. This is currently one of the greatest obstacles to improving bi-regional relations. Unfortunately, this controversy appears in one form or another in the views and analyses of most of the people who were consulted for this study.

In order to escape from this *cul de sac*, it is first necessary to assume the fact that **bi-regional relations and Latin America's relative position on the European Union's external agenda are necessarily affected by changes in the international scene.** During some periods, these changes have placed Latin America and bi-regional

relations in a relatively important position. This is what happened during the crisis in Central America in the 1980s, which affected European security in the context of a bipolar confrontation; or in the scenario of incipient global economic competition in the 1990s, in which a closer bi-regional relationship could satisfy mutual economic interests. However, current trends have the opposite effect. The security agenda that was imposed after the attacks that took place on 11 September, 2001 and the prevalence of multilateral trade negotiations are factors that have reduced both the importance and the scope of this relationship.

Secondly, it must not be forgotten that the important qualitative and quantitative step forward in bi-regional relations since the beginning of the 1980s does not mean that there are any basic changes in the position of Latin America in the European Union's worldview and foreign policy. Political attention increased substantially, but starting from rather low levels. But, above all, **EU policy towards Latin America at that time was a response to a long-term strategic plan; and it adapted fairly well to Latin American needs while at the same time responding to European interests.** Therefore, it was able to define an agenda of mutual interests; in the 1980s, a peaceful solution to the crisis in Central America; in the 1990s, a diversification of the external links and the international projection of the two regions. A large number of the respondents who were consulted for this report talk about this progress with nostalgia, and they use them as a "benchmark" with which to make a comparative assessment of the current state of the relations. Based on that, they reach the conclusion that this does not appear to suitably respond either to the current problems facing Latin America, or even to European interests in the region, which makes it unfeasible to construct a common agenda.

Furthermore, from an economic and political perspective, Latin America lies in an intermediate space in the world. It is a zone of middle-income countries, which in spite of the recent political crises has a reasonable number of firmly established democratic systems, where the States are relatively capable when compared to other developing areas, and where market economies are relatively diversified and some countries have an important presence in many international fora and bodies. In spite of the weaknesses that are inherent to Latin Americas integration schemes, it is still the only region in the world, together with the European Union, which actively encourages "regionalism". However, it is also the region with the inequality anywhere in the world, with very high levels of social violence, serious problems of governance and major pockets of poverty. In sum, **it is not sufficiently prosperous to be a full EU partner at present, but neither does it qualify for an assistentialist approach.** What it needs is an approach that is different from other areas or countries, and this has yet to be defined in the European external vision.

This controversy also shows the **importance of perceptions when it comes to making a diagnosis and defining political options in international relations.** At the present time, pessimistic and sceptical views seem to predominate, even when a more level-headed analysis would not lead to such a negative conclusion (See Chart 1). This fact should be taken as the starting point when defining future strategies for the relations between Europe and Latin America.

Chart 1. Some data concerning the relations between the European Union and Latin America

Relations between the European Union and Latin America are not irrelevant, as can be seen from a brief overview of some data. Taken together, these countries account for a quarter of all the States that comprise the international system, and a major part of what is identified as being the "West", with around one billion persons interrelated in different ways. The number of inhabitants living in the European Union with its 25 member states is similar to the population of Latin America (450 million and 485 million inhabitants, respectively). However, the deep asymmetries must not be forgotten. The GDP of the former is four times greater than it is in the latter region, and the surface area covered by Latin America is about four times as great as the European Union, which gives a good indication of the extensive territory and the large quantities of natural resources that Latin America still possesses.

If the European Union were just one country –and from a trade and commerce perspective it is undoubtedly the case that it acts as one– it would be Latin America's second commercial partner, its second most important source of direct foreign investment and its main aid donor. However, its total trade barely reaches one third of the amount of trade flows between Latin America and the United States, the former's main partner (and it is similar to the trade with China by several countries). By contrast, European cooperation is almost twice as much as that of the US, while European direct investments in Latin America have exceeded North American investments in recent years. Furthermore, thanks to a considerable increase in the number of persons emigrating from Latin America to the European Union, the remittances that these immigrants send back to their countries of origin exceed 1,600 million euros per year.

For its part, if Latin America were one single country –and the bi-regional relations suffer because of the fact that it is far from being a united actor from an economic perspective, neither as a region nor in subregional groups- it would be the European Union's sixth trading partner, with flows similar to those that exist with Japan, although they barely account for 5.2% of the European Union's trade. And, in spite of the criticisms that Latin America levels at European protectionism, it is a fact that this region provides more than a quarter of the agricultural goods that the EU purchases abroad.

As a result, any future strategy for these relations must take into account the **challenge of improving mutual understanding.** It would appear to be beyond all doubt that these two regions share views and values about the importance of democracy and how to improve the ways in which the international system works, and they are very close together in matters concerning the role of the State and regional integration in development, as was made very clear in a specific document from the Madrid Summit. However, on quite a few matters there is **a notable lack of understanding about the situation, the problems, the interests and the visions that the other party has about the future.**

A new EU strategy for Latin America

Along these lines, it must be pointed out that the European Union would not appear to understand how the changes in Latin America oblige it to redefine its strategy. In the 1980s, the European Union prepared a policy that adapted to the requirements of the democratisation process and the Central American crisis. In 1994, a new strategy was prepared that responded to the realities of the situation after the Cold War, globalisation,

the new regionalism and the economic interests of the emerging markets in the region.[1] Ten years later, the situation in Latin America is different and the interests of both parties have also undergone significant changes. However, **the European Union has essentially maintained the strategy that it drew up 10 years earlier, albeit with a few slight adjustments.** Therefore, growing criticisms levelled and frustrations expressed by Latin Americans should not come as a surprise. The countries of Latin America must clearly adapt their approaches to the new emerging realities of the European Union (where, for example, security is becoming an increasingly important matter), but that is a question that does not fall within the scope of this report.

The use of the concept "Strategic Association" (SA) –or partnership-- seems to have caused a certain amount of misunderstanding and scepticism. This notion, promoted particularly by the European side, has aroused excessive expectations. However, at the same time it has been applied to the relations with many other members of the EU, which has detracted from its distinctive nature and led to it being devalued. Part of the problem lies in the fact that **what the term "strategic association" actually meant was never clearly defined"**.[2] Taken literally, it means a bond that is based upon common aims and interests, with agreements being made with respect to the resources to be used for achieving them, and planning for the long term. However, as far as the European Union's external relations are concerned, this expression would seem to mean different things to each partner, and in the case of Latin America, it has proved to have very little real content, because from the European perspective key questions are not in play, such as security, which are present in the Balkans or the Mediterranean; and neither is it the expression of priorities for European solidarity, like those that can be adduced in the case of Africa.

This situation could have been caused by a confusion between the "Strategic Association" and the Council's "Common Strategies", the highest level instrument of the EU Common Foreign and Security Policy (CFSP).[3] Approval has been given to common strategies for several countries and regions where there are major interests in terms of security and stability, but this option has not been considered for Latin America. At present, relations with Latin America are consistent with the documents emanating from the Summits held between Heads of State and Heads of Government; with different communications issued by the Commission and adopted between 1996 and 2004, which vary considerably in scope and content; and, from a legal perspective, with standards adopted within the framework of the common trade policy and the development policy, and specifically, to an obsolete regulation.[4] In order for a policy

[1] Council of the European Union (1994). *Basic document concerning relations between the European Union and Latin America and the Caribbean,* Madrid, IRELA.

[2] In the relations between the European Union and Latin America, a "strategy" that ought to lead to a bi-regional association, was talked about for the first time in a document issued by the Council of the European Union adopted at the end of 1994, although the concept of "Strategic Association" was used at the First Bi-regional Summit held in Rio de Janeiro, Brazil, in June 1999.

[3] According to Articles 13 and 23 of the European Union Treaty, Common Strategies will be applied in those spheres where the European Union has important common interests. They set targets, establish resources and duration, and can be proposed by the Council of the European Union, but they have to be adopted unanimously by the European Council. Common Strategies have been adopted by the Council for Russia (4 June, 1999, which were passed and became Law on 20 June, 2003), the Ukraine (11 December, 1999, modified on 12 December, 2003), and the Mediterranean Region (19 June, 2000).

[4] Regulation (EC) Num. 443/92 adopted on 25th February 1992, concerning financial and technical assistance and economic cooperation with the developing countries of Asia and Latin America. The recent reform attempt by the European Commission was rejected by the European Parliament (which

towards Latin America to be consistent with current challenges, it **necessary to have a document at the highest level that updates the European Union's policy for the region and is explicit about the contents and the "strategic" nature of these relations**.

In summary, the main challenge for the European Union if it wants to strengthen its relations with Latin America is: to give it a more strategic nature through establishing an agenda of mutual interests that responds not only to the current requirements of this region but is also in keeping with the interests that are inherent to the European Union. Such an agenda can be based upon **four main common aims where bi-regional relations are concerned**, the first two of which can be applied right away, whereas as the other two are for implementation in the medium term:

a. **To contribute to the development and social cohesion of Latin America**. Regarding these challenges, the recent report issued by the United Nations about the progress of Latin America and the Caribbean in achieving the Millennium Development Goals (MDGs)[5] is clear on limited advances in reducing poverty and inequality and on several social indicators. That document is also relevant because it points out that there is little progress regarding international competitiveness in the Latin American economies, which means that they are unable to improve the employment situation, which is an essential component (although not in itself sufficient) for **social cohesion**, a shared objective agreed upon at the Guadalajara Summit in May 2004.

b. **To promote greater international autonomy for Latin America.** Although some larger countries pursue more autonomous foreign policies, the influence that Latin America exerts upon matters that affect the region and on the international agenda will depend upon its concerted effort to act as a group or within subregional frameworks. Regionalist strategies are still valid, but they require greater effort with regards to political dialogue and it is necessary to deepen the different regional integration schemes.

c. **To improve the external projection of the European Union in this region**, favouring a variety of interests, while at the same time its commitment to solidarity. In spite of the data that show the relative importance of the Union in Latin America (Chart 1), its influence is rather limited.[6] The EU needs to find ways of turning its presence in this region into more powerful assets, and this means taking on greater risks and taking on a higher profile and being more involved in seeking solutions for the different crises that arise in Latin America;

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demanded, among other changes, the division of the previous regulation in two, one for each region, but the Commission did not accept this recommendation). The Commission is currently proposing one single regulation for cooperation with all the developing countries (with the exception of countries included in the new neighbourhood policy), a question that will depend on the results of negotiations on the financial perspectives for the period 2007 to 2013.

[5] United Nations (2005), *Millennium Development Goals. A Latin America and the Caribbean Perspective.* New York.

[6] This fact is confirmed in many interviews conducted for this report with Latin American civil servants, politicians and academics, and it is also observed in a survey conducted recently by the *Latinobarómetro*, and included in the study *América Latina & Unión Europea Percepción Ciudadana* (Santiago de Chile. Focus Eurolatino, 2004).

its political role and its efforts where solidarity is concerned will only be recognised if it does this.

d. **To succeed in getting the two regions to act increasingly as strategic allies** on the international scene, strengthening the multilateral system and world governance in general. These are the two regions in the world that are most interested in there being a series of strong rules to regulate international relations. However, it is necessary to pinpoint the specific areas where positions and strategies can be agreed upon when dealing with multilateral fora. Neither the weak mechanisms of political agreement that exist in Latin America, nor the current channels for bi-regional political dialogue facilitate this task.

These are **four interrelated pillars** (solidarity, autonomy, interests and association), all of which are necessary if progress is to be made in these relations. If the EU does not contribute to Latin American development --in the widest sense of the term, taking in all the political and institutional aspects such as the economic and social questions—, it is difficult for this region to be a genuine partner of the EU. Furthermore, the EU must link its legitimate interests with the requirements of the region, helping to establish a common agenda, because without this bond it will be difficult to achieve its goals, and it will not be possible to sustain its solidarity. Finally, given the deep asymmetries that exist, these ties cannot respond to the classical post-colonial North – South relationship and the EU must accept and enhance the capabilities and the assets of the region as a partner in international relations.

As the Commission has noted in earlier periods, the European Union's strategy with respect to Latin America must adapt to the **heterogeneous nature of the countries of Latin America and their peoples.** Frequently reference is made to the region as a whole, but there are many different political, economic and cultural realities in those countries that require different approaches within a coherent framework. Up to now, this reality has not been given sufficient recognition, as has been demonstrated during the course of this research work.

Along the same lines, it is clear that **these aims may be fraught with contradictions.** These have cropped up in the negotiations between the EU and the countries of the Common Market of the South (Mercosur). On the one hand, the Union tends to treat Mercosur on equal terms when it comes to tackling the "difficult" subjects in the negotiations, such as market access, while, on the other hand, it criticises the deficiencies in its partner's integration in terms that often seem paternalistic or mistrustful. Furthermore, the solidarity that is expressed via cooperation contrasts with the reluctance to improve access to its market. These contradictions, in most cases, are owing to internal contradictions in the EU which go beyond biregional relations. In any case, **it would be possible to overcome these difficulties if both parties were to show willingness to advance on a pragmatic strategy.**

This report on **the prospects for European – Latin American relations** is oriented towards these ends. These perspectives are based upon a detailed diagnosis that has

deliberately been left out of this report[7], because it is considered to be more important to pinpoint proposals that contribute to the four above-mentioned aims.

With a view to this, **the main sections of the report have been structured around a series of basic questions**. Thus, the first section which follows deals with the question of the trends and scenarios within the context of which any effort to make progress in EU – LA relations must fit. Therefore, the bi-regional relationship is situated in a broader framework that affects it in a variety of ways. This exercise also makes it possible to indicate the different potential options and to establish the conditions that enable the most favourable ones to advance. This exercise leads to the last chapter where proposals and conclusions that are vital for enhancing future relations are presented.

In sum, this report proposes a **path leading to closer relations that could eventually be considered "strategic"** although it would not be very useful to emphasise at the moment the concept of Strategic Association/Partnership. The most important thing is to make these relations as realistic as possible, while at the same time not losing the creative, ambitious and pragmatic spirit that existed between the mid 1980s and the mid 1990s. This spirit should be revived so that it can be adapted to the new European, Latin American and international situation.

[7] The diagnosis has not been omitted, but for questions of space and the aims of the study this is dealt with in the section on trends and scenarios, and in the national, subregional and thematic base studies that are included in the Appendices prepared by the team that conducted the research for this project.

II. Global and Regional Scenarios and Trends

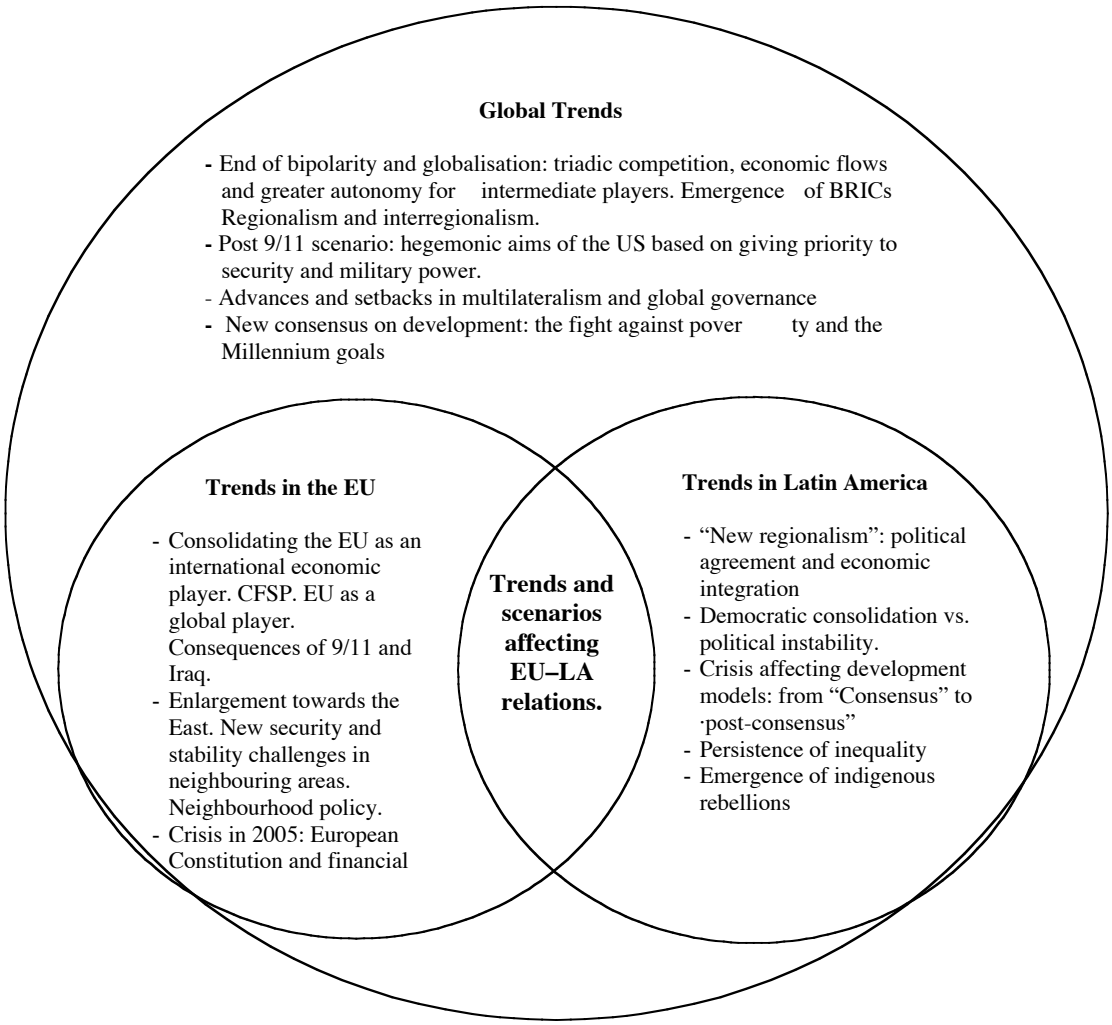
The preparation of scenarios in a world that is being transformed rapidly and uncertainly will always be a risky task, so one has to be cautious. However, it is a very useful exercise for plotting the political options over the medium and long term In spite of the fact that many of the factors involved are not easy to control, one can resort to external action tools in order to promote the most favourable scenarios and to counteract the most negative trends. If this is to be achieved, it is first necessary to achieve the willingness and interests of many players coming together. This is the main challenge, and we will return to it later.

Before tackling the subject matter, it is advisable to clarify the concepts that are going to be used in this chapter. The term **scenario** is being used here to refer to the outlines for **different "possible futures" that are a result of the convergence of facts and trends that can currently be observed and that are projected into the future.** In this sense, scenarios can be a result of a combination of different trends. All the trends affect all the scenarios in some way (although not all of them do so to the same extent), in such a way that there is a complex interrelationship between dynamic processes. This report examines the scenarios for the relations between the EU and Latin America, and trends on different levels have to be taken into account to define them.

The starting point for our exercise is to establish what the **main trends are that have a bearing upon the prospects for EU – LA relations.** An effort must be made to define those trends that would have a greater impact on these relations, without ruling out the possibility that there might be others, apparently less significant, which could have a considerable effect. The trends that are conducive to the relations between the EU and Latin America (the "positive ones") are defined (see Table 1), together with the ones that could serve to hinder potential progress ("the negative ones"), and this would lead to different scenarios, not only for the EU but also for Latin America. The main aim of this report is not to draw up very detailed scenarios, so only a framework is prepared that will serve as an analytical tool for identifying the proposals for actions that could be promoted by the Union.

Although it is obvious, it must not be forgotten that what happens in relations between the EU and Latin America takes place within the context of global trends, as can be seen in a simplified way in Figure 1.

Figure 1.
The EU - LA relations in a global and regional context*



Source: Prepared by authors
* Not all possible elements are included, just some of those considered to be the most relevant.

Global trends

On the basis of this logical structure, it would appear that the **starting point for constructing the analytical framework would have to be the global trends.** However, there is a very broad set of trends, so it is convenient to define the most relevant ones for the subject at hand.

In little over a decade, the international system has left behind the rigid bipolar arrangement which had prevailed during the Cold War, opening up rapid processes of change in the ways in which wealth and power is distributed between States and non-state players. There have also been major changes in the nature of power and the ways of generating wealth. As a result of this, the **international system is going through a process of reshaping in which no clear structure has yet emerged, whether this be**

unipolar or multipolar, and questions arise concerning the relevance of analysis in terms of polarity.

Events such as the Iraq War and the unilateral actions taken by the USA after the 9/11 terrorist attacks, going beyond the declared motives and objectives, must be seen as a reflection of that **process of restructuring the world order**. In this context, there are actions that point towards a unipolar structure dominated by the United States, but there are also a lot of others that suggest a slow but evident **transition towards a multipolar world**, characterised by the gradual but inexorable process of "diffusion of power", in which new players, both state and non-state emerge, and there are changes in the relative importance of the "hard" and "soft" questions - military, political, socioeconomic and environmental – concerning international relations and the role of the "global risks" (in the words of Ulrich Beck) to define the agenda for international peace and security.

In this process of change there are divergent ideological views on the rules and institutions that make up the world order. Some players consider that the system is unipolar because the military power, concentrated in the United States, is the key determinant. Thus, the governance of the international system must depend upon the hegemony of that country; it must be unilateral, through a series of *ad hoc* alliances, or "hegemonic multilateralism". For other players, that view is mistaken because it is based on erroneous premises regarding the nature of power. At the same time, it ignores the interdependencies that are generated by globalisation, the phenomenon of the "diffusion of power" and the increasing multipolar nature of the international system. Without disregarding the importance of the United States as an international actor, these realities require a "new multilateralism" and bestow a growing role on regionalism for the governance of the international system. From this perspective, **not only the European Union but also Latin America would have greater autonomy, but would also have greater shared interests and responsibilities vis-à-vis the challenges of governance and international security.**

Despite the priority given to the security agenda in the wake of the attacks on 9/11, **the globalisation process continues to be one of the main factors of change in the international system.** As a result of this, it will be a decisive factor when it comes to defining EU and Latin American perceptions, options and strategies regarding international insertion, as well as the validity of different competing ideologies in global political economy, such as the "Rhenish model" or "Anglo-Saxon" market economy. The globalization process undoubtedly offers opportunities for the two regions, but it also poses challenges regarding security, democratic governance, economic welfare, equity and social cohesion, environmental preservation, and the issue of constructing collective identities. The shaping of a global and regionalised political space, and the primacy of the nation-State as the depository of sovereignty and the capacity for governing; means that the international system is marked, in the words of David Held, by four "breaches" or "gaps": jurisdiction or the capacity for effective governance: participation and representation of new non-state actors; incentives to produce public goods and to avoid global public defects which encourage escapist or "free rider" behaviour; and the ethical commitment to deal with political, social and environmental problems (human rights violations, poverty, HIV/AIDS, climatic change…) which are unacceptable from a political and moral point of view.

In this scenario, both regions should pay attention to the most important emerging States. The Latin American countries with more significant economies participate actively in groups such as the G20, related to the New International Financial Architecture; the G21 which has trade negotiations with the WTO; and the G24 concerning finance for development and the reform of the Bretton Woods institutions. In many ways, these groups demand a greater representation from emerging countries in the relevant global political economy organisations and decisions. On the other hand, some emerging countries such as the Popular Republic of China, have become economic partners of growing importance, and they have also increased their appeal as an option for diversification in foreign relations. Together with the increasing diplomatic activity between China and some Latin American countries such as Brazil, it should be noted that between 1990 and 2004 the percentage of total Latin American exports destined for China has grown from 0,4% to 4%. In Argentina, Chile and Peru exports are between 8% and 10%, spurred by the considerable Chinese demand for raw materials. There are high expectations regarding Chinese investment in the mining sector and in infrastructure. However, there are also reasons for caution and even for a certain wariness over this new axis of relations. The competition of Chinese manufactured goods with Latin American exports, and the obvious differences that exist over many issues on the multilateral agenda – for example, democracy and security, or China's refusal to support the expansion of the Security Council which Brazil demanded – illustrate the limitations and risk of the "Chinese option", both for the economies and foreign policy of Latin America.

In this context, one **possible response is regionalism regarding in the sense of formation and development of strong regional groups**, with capacity to act in international economic and political institutions, as well as intensifying cooperative relations between groups, or “inter-regionalism”.

On the basis of the trends towards regionalism and inter-regionalism, the analysis of the relations between EU and LA must start by studying the **process of making the EU a “global player”**, to the extent that this affects EU – LA relations. This process will involve interests of the EU as such, beyond the individual interests of the member States, and its capacity to act beyond its own fronteir would be strengthened through the Common Foreign and Security Policy (CFSP), the Common Security and Defence Policy (CSDP), and other community policies that affect relations between the EU and LA.

As will be pointed out later, in this area **obstacles and factors of uncertainty must not be ignored.** Some examples include: the difficulties involved in implementing a Common Foreign and Security Policy in the post 9/11 scenario, which became apparent with the Iraq War and the divisions between the “new” and “old” Europe; the scenario of uncertainty that has been opened up with the process of ratifying the European Constitution; the effects of enlargement, and; the growing orientation towards the East of the EU’s economic and security interests.

Likewise, in Latin America we must take into consideration the evolution of the regionalist strategies and, in particular, matters such as the **evolution of the regional dialogue and integration processes**, especially Mercosur and Central American and Andean integration, the Rio Group, and the more recent South American Community of Nations. All of this takes place with the Free Trade Area of the Americas (FTAA)

process and various sub-regional agreements with the United States in the background. Within this framework we can find contradictory trends, which, as we will address further on, could create several different integration or fragmentation scenarios in the region.

Latin American regionalism is related to the different approaches used by some leading countries: Mexico as a developer of bilateral agreements for free trade, Argentina regarding foreign debt issues, the aggressive foreign policy developed by Brazil as the leader of Mercosur, and, among larger developing countries --those known as *BRICs* (Brazil, Russia India, and China)—, in the G-20, and with regards to its possible entry in the United Nations Security Council. For some developed states, counties such as Argentina, Brazil or Mexico could be regarded as "anchor countries" in their corresponding sub-regions.[8] These countries would demand a strategic relationship, which could pose several important dilemmas for both the regional and sub-regional EU strategies.

In the **field of international development, a new consensus has emerged, whose core is the Millennium Declaration**. The Millennium Development Goals (MDG) were created as a result so that all countries in the world would implement policies and initiatives oriented towards improving the conditions in developing states and communities. This has been certainly positive because for the first time the whole world has a series of specific aims and objectives, as well as an established deadline (2015). It has also inspired a renewed effort towards the increase of resources for development cooperation, and other resources, and it demands more attention towards matters which have not been appropriately solved by the EU, such as policy coherence, actor coordination and procedural harmonization.

Obviously, the **MDGs must orient the public policies both for the Latin American states and the EU and member state development policies**. Nevertheless, this consensus tends to pay little attention to the specific needs of the middle income countries –which are considered by some to be fully capable of confronting their own challenges with no external help—. The problem is that **this view could cause reductions in official aid provided over the medium term**, and, in fact, there is evidence of partial reductions in several European programmes. There is no doubt that Latin America does not suffer from such severe poverty seen in other Southern areas, but it cannot be denied that it does need certain aid (different, however, from that provided to Sub-Saharan Africa or parts of Southern Asia).

Finally, among the global trends to be considered, we can highlight the **evolution of trade negotiations in the multilateral framework and other sub-regional frameworks** promoted both by the United States and the EU, or in the framework of the Association for Pacific-Eastern Economic Cooperation (APEC). Following the failed Fifth Ministerial Conference of the World Trade Organisation (WTO) in Cancun (Mexico) held in September 2003, and the Geneva agreement established in August 2004 to reactivate negotiations, it is clear that there will be difficulties in closing the (WTO) "Doha Round" by the end of 2005 or even 2006. This has led to the

[8] Bundes Ministerium fur Wirtschaftliche Zusammenarbeit und Entwicklung (BMZ) *Anchor Countries: Partners for Global Development. A BMZ Position Paper*. Bonn, December 2004. See also Stamm, Andreas, *Schwellen- und Ankerländer - Neue Länderstrategien des BMZ*, in: Zeitschrift Entwicklungspolitik, 23/24, 2004.

readjustment of commercial approaches in the United States, Latin American countries and the EU itself. All of this makes it unclear what importance will be given to other regional or sub-regional negotiation processes, such as the Free Trade Area of the Americas (FTAA) or the EU-Mercosur negotiations.

This is a crucial matter for EU-Latin American negotiations. The EU has already signed "Association Agreements", which include free trade areas with Mexico (2000) and Chile (2002). **Both agreements mainly respond to the need to reinforce the market position of EU companies** within the framework of the free trade agreements that those two countries have also signed with the United States. However, other countries in the region have not had the chance to participate in this type of agreement. With Mercosur the negotiations have been slow and difficult due to the different assessments made of the costs and benefits in the agreement, and to disagreements derived from the strong demands for liberalisation of this type of agreement, and so they have been unblocked at the maximum political level several times.

The agreements signed in 2003 between the UE and the Andean Community of Nations (ACN), and Central American countries (CA) are more limited, as they do not include commitments for the establishment of free trade areas. The exports for both groups were subject to the non-reciprocal preferential regime of the Generalized System of Preferences ("GSP-drugs"), which will be replaced in 2006 by a regime that many in Latin America consider to be less advantageous. As the Guadalajara Declaration states, in the **near future the relation of the EU with these two sub-regions will depend on the strengthening of their respective integration processes**, where the most likely scenario is that the trade negotiations start in the second semester of 2006, after the 4th Summit of Heads of State and Government of the EU and Latin America and the Caribbean (Vienna, 2006), and, in any case, once the future of the WTO multilateral trade negotiations is clear.

The possibility of signing association/partnersip agreements with Mercosur, Central America and the Andean Community will depend, amongst other factors, on the materialisation of one of these **hypothetical scenarios**:

- *"WTO delay" Scenario:* it implies the completion of the Doha Round by 2006 at the earliest, with a limited liberalisation programme regarding the interests of the EU (especially financial services and the WTO agreement on Aspects of Trade Intellectual Property Rights TRIPS). Due to the fact that the parties are still engaged with the multilateral option, sub-regional agreements would be postponed until this round of negotiations has been completed.
- *"WTO-regionalism" Scenario:* the commitment to WTO negotiations is maintained, but, as its completion has been delayed until 2006, since 2004 the parties decide to make a simultaneous promotion of agreements with regional groups or countries where greater interests are present.
- *"Return to regionalism" Scenario:* it involves the blockage and final disruption of the current WTO Round at the Hong-Kong Ministerial Conference (December 2005), and a return to regionalism from 2006 onwards. As in the previous case, subregional agreements are promoted separately, but at a later time.

With the Geneva agreement signed in August 2004, the **trends seemed to point to the "WTO-regionalism" scenario,** both for the EU and the United States. As regards the

FTAA, its initial formula has been rejected and now the United States tends to promote sub-regional and bilateral agreements with different levels of commitment. The Central American Free Trade Agreement (CAFTA) has already been signed and negotiations with some Andean countries (Colombia, Ecuador and Peru, in an initiative that isolates Bolivia and Venezuela) and with Panama have advanced, leaving Mercosur aside. For its part, the UE also seemed to be willing to reactivate the sub-regional channel without failing to comply with its commitment to the WTO. This meant closing the negotiations with Mercosur at the end of 2004, in accordance with the "Brussels Programme" agreed in November 2003. This date was ratified in the "Guadalajara Declaration", which, however, postponed agreements with Central America and the Andean Community until the completion of the WTO negotiations, and also conditions talks on the deepening of the integration processes carried out by both groups.

Negotiations within the WTO are developing slowly and the results are not as positive as they should be. Advances in agriculture have only been successful in the production of cotton, where both the EU and the USA have presented serious proposals to adopt measures to solve the situation in the short-term future. The remaining changes in agriculture, as well as market access of agricultural and non-agricultural products, are still in the first stages of negotiations, where commitments are not clear enough and members hold several different positions. On the one hand, the sectors with great interest in this round for the EU and the US, such as financial services and TRIPS, are stuck, due to the reluctance shown by developing and less advanced countries to assume new commitments in these areas.

The **negotiation framework in Geneva is not very encouraging**. However, both the EU and the US seem to believe in this level of negotiations and, mainly the EU is promoting the continuity of negotiations with an intense barrage of offers and counter-offers on the eve of the Ministerial Conference in December 2005 in Hong-Kong.

Finally, the failure of negotiations between the EU and Mercosur in October 2004 has led to a period where both parties have decided to open a waiting period while the future of the "Doha Round" is clarified at the above-mentioned WTO Ministerial Conference in December 2005, which **seems to correspond to the first scenario described as "WTO-delay"**.

Trends in the European Union

The recent **institutional crisis at the Brussels Summit held on 15-16 June 2005 is a key factor in the determination of future trends in the EU**, although it is not the only factor to be considered nor should it be treated as an isolated matter. In this sense it is advisable to highlight certain underlying trends before approaching the more short-term ones.

Possibly one of the most obvious facts of the European Union is its **increasing heterogeneity**. Its enlargement since the mid 1980s has created a group of countries that are becoming increasingly different. This can been observed in the first instance in the sphere of relative wealth (notice the difference between Luxemburg with over 40,000 euros per capita and Poland, which, with around 8,000 euros has a similar level to that of Mexico in terms of purchasing power parity). There are also important differences in terms of values and world-visions, as well as external interests. All of this has lead to

difficulties in some fields when it comes to decision-making in the Union. Even so, it is expected that a gradual process of "Europe-isation" of the new members' foreign and domestic policies will take place, thus enabling a larger convergence; it is probably a matter of time and involvement in the EU foreign affairs. However, until this takes place, the EU may have to undergo a series of institutional crises such as that seen at the Brussels European Council in 2005, or the visible divergence it its external relations. These crises will not only be the result of friction with new members, but will also arise from growing divisions between the "old" members, especially given a scenario where EU leadership is lacking.

In addition to institutional crises, there is a **crisis of the socio-economic model**. Leading countries are currently amongst the least economically dynamic ones. Germany in particular does not seem to be able to overcome its post-unification stagnation, and the result of the Referendum for the Constitutional Treaty is mainly due to fear felt by the French regarding their chances to maintain their national identity and current prosperity. On the other hand, the United Kingdom's role in Iraq has reduced its chances of playing a leading role in EU debates. In several places a process of dismantling of welfare states has begun, that until now had been a key aspect of Western European identity.

All of this probably reflects a **complicated process of adaptation to the pressures of globalisation**. In an area of advanced economies and consolidated systems, this transition becomes especially difficult because it questions a series of norms and rules that had been taken for granted but will now need to be reconsidered. A clear example of this were the General Election results in Germany at the end of 2005, where citizens were divided and confused in the face of the political options they were presented with.

Faced with this transformation process, there seems to be an **increasing trend to look "inwards" and to suggest national solutions to common matters**. This "introspection" and the trend towards "re-nationalisation" that some European leaders even believe to be positive, will obviously affect the potential scope of European integration. Those defending a more national approach, in the wake of enlargement, will have to confront those who support a more intergovernmental and flexible model for integration. On the other hand, economic stagnation affects the resources that each member State is willing to provide for the process of integration (as can be observed in the debate on financial perspectives within the European Council), and thus calls into question a whole series of common policies and instruments for internal coherence, not to mention its foreign action.

Table 1. Trends and Scenarios of the European Union
(Structured around two opposing poles)

THE FOLLOWING TRENDS ...			
	Negative		**Positive**
	- An EU with no will or capacity to assume a world leadership role. - EU is limited to a foreign policy dealing with the management of key interests (i.e., neighbouring relations, USA, etc.) - Inability to overcome the temptation to maintain protectionism and CAP in its current state, which makes Doha and the UE-Mercosur negotiations fail. - The new GSP is seen as a measure of little benefit for developing countries. - The goals of the European Council in Barcelona are not fulfilled in terms of ODA. - Cooperation is focused on Africa, MEDA, the Balkans and Iraq		- A more confident EU, capable of leadership on the international scene, determined to have a truly global presence, and a more proactive position regarding globalization problems. - Assumes more ambitious initiatives in different topics and areas outside the neighbourhood. - It undertakes to close the Doha Round with far-reaching reforms in the CAP, thus winning US concessions. - Member states achieve the Barcelona goals and move towards other 2005 ODA goals
...LEAD TO THESE SCENARIOS (EXTREME)			
	"Introspective EU"		**"Soft power EU"**
Where the main factor is…	A strong crisis in the integration process (i.e., failure of the Constitution, doubts regarding enlargement, debates about the future of the Euro, ...)		The current crisis is overcome in the mid-term (as has occurred many times in the past) thanks to renewed leadership in the EU
Other factors …	- Lack of economic dynamism (delocalisation, competition from China, etc.) - Insufficient leadership - There is no EU Ministry for Foreign Affairs - There is still a lack of coordination between member States in CFSP issues or international finance		- The negative trend of economic growth is reverted, competitiveness is reinforced - Strategic alliance with the USA is achieved. - An EU Ministry for foreign affairs is created - Member States improve coordination in the IFIs and the UN

Source: prepared by authors

What this really reflects is a **lack of consensus regarding where the Union** should head towards in the future. The main views expressed in the Brussels European Council in June 2005 are basically incompatible under the current conditions. There is a factor that in the past has made a great contribution towards overcoming this type of disagreements but today seems to have disappeared: visionary leadership, which translates into strategic goals, but with pragmatic means and a calendar for application.

How are these **trends expressed on the international scene**? There are two extremes in terms of possible scenarios –an "introspective" EU and a "soft power" EU—

summarised in Table 1. Obviously, there are intermediate scenarios including aspects from both sides, which are the most likely outcomes.

An introspective EU

On the most negative side, **the current trends of division in the EU would deepen, affecting its role within the global system**. This region would not take on a leading role in the world. It could have a positive involvement in several crises, but its main reach would be regional, that is to say, limited to the neighbouring area, with some incursions in Africa. This **EU would be an actor limited to managing its foreign affairs**, with no capacity or interest in exerting influence broadly, nor in strengthening or reforming the multilateral system.

In this Union, the lack of economic dynamisms and political leadership could easily lead to a **return to the go always present temptation towards protectionism**, which in fact has been observed in the debate about the agricultural policy reform since 2002, and in the way in which matters such as delocalisation or the explosion of textile imports from China has been approached. This context would be least favourable for a prompt and satisfactory completion of the Doha Round of world trade negotiations, but it would also affect several negotiation processes for Association Agreements, including the one that has been in progress for ten years with Mercosur.

This **panorama does not seem to be the best one to create a Union which pays more attention to the South**, except for those bordering areas where there is a mixture of post-colonial paternalism and security fears predominate. It is possible that commitments on official development aid/ODA are fulfilled (although Germany, the main donor, France and Italy present serious doubts in this regards), although this would contrast with the lack of generosity in terms of trade policy, the impossibility of a new Common Agricultural Policy (CAP) reform, or the establishment of a migratory policy that is not dominated by issues of security, etc, resulting in a **lack of coherence that would undermine any advances in cooperation**.

This EU is not one which would play a leadership role in international institutions desperately in need of reform, in particular the United Nations/ (UN) nor would it demand a new policy direction and changes in institutional structure in organisations such as the International Monetary Fund (IMF) or the World Bank. Taking into consideration the lack of options, the predominant orthodox and conservative views would predominate.

The EU, "a soft power"

In some years' time, having overcome the current institutional crisis and recovered a certain economic dynamism, the project that several European leaders have promoted for a **European Union as a renewed "civil power", allowing it to develop its "soft power"** on which it would base its global leadership. This would be possible because overcoming the crisis would lead to new confidence in the role that the EU could play in the international system. This new vision would lead to a more active promotion of its multilateral approach and to seek a more powerful and coherent voice in the most important multilateral organizations.

In addition to this, this confidence would lead to recuperation of the idea of a European Union with an **active global projection that goes beyond its neighbourhood** and "inevitable partners" such as the United States. It could even lead to advances in ambitious initiatives in areas where it has not traditionally been influential, such as Asia or Latin America.

This confident Union would seek to complete a Doha Round that can be truly called "developmental" in terms of engaging in deep internal reforms (with the capacity to persuade the US and Japan to do the same). On the same lines, member States would be faithful to their commitments to increase their aid considerably (one of the few positive results seen at the Brussels Summit), and they would also **advance towards the three "Cs"–coordination, complementarity and coherence— the basic principles of its cooperation policy** since the Maastricht Treaty, which intends to promote the Commission's proposal in this field.[9]

Trends and scenarios in Latin America

In this section, using a slightly different methodology, the Latin American agenda is analysed in three separate moments, as a way to see the trends, as well as the possible scenarios (summarised in Table 2 at the end). This way of organising the analysis allows for greater clarity in studying how the European Union responds each time, which is the topic of the following section.

1995-1999: "Years of hope"

The first moment chosen is 1995, the start of an **apparently dynamic five year period in terms of economic development and democratic consolidation** (with the exception of Peru). The world in 1995 was in a phase when the fall of the Berlin Wall and the end of the Cold War **opened the way towards new options such as "open regionalism"** which is really a structured way to maintain integration projects and diversify the external links within an uncertain context.

In this period, globalisation seemed to be the dominant process, reflecting a certain predominance of an economic vision of relations between States. The post Cold War-period, thanks to the relative world-wide prosperity achieved then, is the **peak moment of the "Washington Consensus", which focuses on liberalisation and "re-dimensioning" of the State** to place the market as the main engine of development. In this context, it was obviously normal to give priority to free trade agreements and at this time some of the first agreements between wealthy and developing countries (i.e., the Northern America Free Trade Agreement/NAFTA) were signed. The economic model and underlying trends in terms of production lead to a considerable increase in direct foreign investment.

In **Latin America optimism prevailed** regarding democratic consolidation, and the need to reform the States starts to be dealt with. Thanks to higher growth rates it was possible to slightly reduce poverty levels. For sectors that were not affected by this

[9] See Communication July 2005:" European Consensus" [COM(2005) 311 final]

dynamism some compensatory policies were put into place such as social investment funds.

To sum up, between 1995 and 1999 **Latin America seemed to be on the right track to achieve more satisfactory development levels in a reasonable period of time**, to reduce poverty and strengthen democratic systems. Although it could not be regarded as a "boom" period, there was a generally positive feeling, especially after having suffered so much during the previous "lost decade".

2005. "The world after 9/11"

Ten years later, the world seems to be a very different place. **The main issue now is how to confront the threats to international security** coming from terrorism or the "rogue states" with possible access to weapons of mass destruction. While in 1995 there was a certain consensus, **this stage is marked by different visions regarding the new international order**.

In this period, multilateralism is brought into question at all levels, due to the failure of the United Nations to avoid the military operations in Iraq led by the United States in 2003, but also due to the lack of advances in global trade negotiations and a "New International Financial Architecture", which are permanently denounced by the alter-globalisation movement that appeared at the end of the 1990s. This **questioning of multilateralism does not favour regionalism**, but new - more informal and unstable - forms of organisation such as the "coalitions of the willing" or the "Group of the 20" (G20) at the WTO Ministerial Meeting in Cancun. The latter phenomenon reflects the urgency and/or international activism of intermediate powers in the Southern regions and emerging countries (Brazil, China, South Africa, etc.) as new actors to be taken into consideration on the international scene.

While a decade ago the Washington Consensus had its best moment, now basically everyone refers to the "post Consensus" (although it is redefined in several different ways, ranging from those who support more reforms to those with totally opposite approaches), mainly due to the **failure of the dominant paradigm to boost development** and to reduce vulnerability to fluctuations in the international financial system**.** Latin America experienced a "lost quinquennium" in spite of so many economic reforms and having received such large amounts of investments in the second half of the 1990s, mostly from the EU. This gives rise to doubts regarding the effectiveness of policies to reduce vulnerability to fluctuations in the international financial system.

This **stagnation leads integration processes in Latin America to suffer several crises**, once again delaying the projects for deepening. One of the effects and also causes for this is the increase in "economic neo-nationalism" in the region, promoted by some political leaders. One example is the yet-to-be-defined project promoted by Venezuela, *Petroamérica*. Obviously, these trends could cause a considerable fall of direct investment flows towards Latin America, although this may be partly compensated by China, whose purchase of materials temporarily "saved" several regional economies.

The year 2005 is also the "year of development" given the international efforts to attend to the commitments of the Millennium Summit. There is a clear interest to support the poorest countries to achieve the Millennium Development Goals through different initiatives. Member States of the EU have committed themselves to increase their ODA to reach - in the case of "former" members - 0.7% by 2015.

The **main topic of the MDGs, the battle against poverty, is valid for Latin America** because it has not been able to reduce the number of poor people, although in some countries the relative proportion has decreased. What is even worse is the fact that there are no advances in terms of inequality, and in fact there is a certain negative convergence between countries with lower rates and those that have always been highly unequal. For this reason, the **social cohesion agenda has taken a primary position amongst national issues**.

In the **political arena, Latin America is experiencing a contradictory period**. On the one hand, in several counties some progressive leaders with more modern visions have been elected, whereas, on the other hand, there are precedents with populist tendencies and several countries have gone through a situation of recurring crisis of governance and social conflict. However, civil societies seem to have become stronger actors in politics, although party systems remain weak and according to several recent studies, politicians drift further away from citizens,.

Two future scenarios

There are **two possible schematic joint scenarios for Latin America** as a whole over the next five years.[10] Just as was observed in the case of the EU, there are two opposing poles, with many possible intermediate scenarios (as a Latin American diplomat said at a meeting with project researchers, "there are many possible purgatories between heaven and hell"). The construction of these two perfectly possible and comparable futures will help to define the options both for the regions and for the Union.

The scenarios are organised in terms of the existing level of intra-regional cohesion. On the one hand there is a "fragmented Latin America" scenario, which implies a not very relevant region in the international system (although several of its members could be important). On the other hand there is the "Latin American Community" scenario, which symbolises the emergence (which may not be necessarily completed by 2005) of a more integrated international actor. We now proceed to explain how these scenarios would arise, as well as their implications.

The **scenario of** a **"fragmented Latin America"** could be due to several factors, including the following:

- The intensification of centrifugal forces in the region: growing neo populism in many areas favours an exclusionary nationalism, the tendency to blame neighbouring countries, etc.
- The attempt made by Brazil to impose its leadership leads to strong rejection in other countries; it weakens Mercosur and makes other countries drift further away from the South American Community of Nations, thus hindering its progress.

[10] This effort could be made for each sub-region or country, but we believe that the group concept is valid for this document.

- The FTAA "by parts" –carried out through separate agreements with groups of Latin American and Caribbean groups of countries— increases the trend towards fragmentation.
- On the other hand, the Doha Round does not manage to advance at the Hong Kong meeting, and there are no serious advances in the reform of the United Nations, thus contributing to a larger scepticism about the value of multilateralism.
- The international global security agenda estranges Latin America from global interests.
- The trend for each country to focus on searching for its own solutions is reinforced and pressure increases for countries to compete individually for markets, energy, etc.

The **Andean Community of Nations seems to have already entered a process** which could lead to this scenario, aggravated by a series of unresolved historical bi-national conflicts, the armed conflict in Colombia with North American intervention, the tensions between Caracas and Washington or Bogotá, etc. The recent information about the possible admission of Venezuela in Mercosur casts doubts on its real interests in strengthening the CAN. In any case, Mercosur has not been able to avoid this trend either, with a general slowing up in the process of integration and there has even been regression in some areas with a considerable lack of committed political leadership and the emergence of internal divisions for which institutional mechanisms to resolve them are not in place.

This scenario could be exacerbated by **new financial crises**, and the onus would be on individual countries to find a solution, many of which do not have the capacity to confront these crises without suffering serious economic and social repercussions. In addition to this, although the region has experienced growth in recent years, it has not managed to sustain high growth levels, so neither has poverty been reduced nor have the MDGs been achieved. This situation means that foreign investment remains relatively stagnant.

In the political sphere, there is a **re-evaluation of the traditional division between Northern Latin America and South America,** where the first group is aligned with the United States and the rest choose a not very realistic project for South American integration. Within the countries, institutional instability becomes the normal situation. Countries like Bolivia may fragment and the Colombian armed conflict will not be resolved, leading to permanent tension with its neighbour, Venezuela.

In spite of the rise of populist or clientalist policies, there are no substantial advances in social inclusion in this scenario. On the contrary, social conflicts are intensified and become more violent and, added to public insecurity, constitute phenomena contributing to an increasing alienation amongst the Latin American population.

The **scenario for "the Latin American Community"** could arise because of several factors, some of which are as follows:
- Sub-regional schemes are strengthened, as a result of EU support, but especially due to greater commitment by member countries, with increasing protagonism of social and economic actors.
- The project of the South American Community of Nations is becoming real, at least in some specific fields such as the integration of physical and energy infrastructure, thus

complementing the sub-regional advances and contributing to creating greater connections between the schemes.
- The Doha Round makes significant progress in Hong Kong, and initiatives to find alternative financial sources for development thrive.
- The international security agenda becomes less relevant, leaving a greater space for other topics, such as development.
- The international community decides to provide greater support to middle income countries, acknowledging their importance in terms of population, their possible contribution to multilateralism and to providing some global public goods and their vulnerability to the fluctuations of world economy, amongst other aspects.

Thanks to these elements, as well as others, **Latin America manages to boost its economic growth** towards relatively high and sustained rates, which allows it to advance and -in some cases- surpass the MDGs. On the same lines, certain broad initiatives to deal seriously with the problem of inequality are put into practice, achieving initial positive results, favouring an atmosphere of increasing political stability, democratic legitimacy, and social consensus.

This improvement is reflected in a **significant return of foreign investments,** which also tends to be centred on the productive sectors, thus contributing to the creation of employment and the reduction of emigration. This climate also favours the evolution of integration projects and trans-regional initiatives. There are some specific advances in the construction of the South American Community of Nations which contributes to achieving greater agreement on foreign and domestic policies. Together with the Rio Group and the Andean Community, it is possible to finally advance in the peace process in Colombia, with the participation of other countries in the region (Contadora style). There is even some progress in the relations between Bolivia and its neighbours Peru and Chile thanks to an agreement to provide it with access to the sea, with support from multilateral organisations and Mercosur, thus strengthening the political role of this regional group.

In the political sphere, the tendency of current instability would enter in a clear process of decline. Greater attention towards social cohesion–amongst other reasons because it improves the effectiveness of public policies- contributes to an improvement in **the situation of citizen insecurity**, leading to greater satisfaction and support for democratic institutions.

Without a doubt, the first scenario is now the most likely one and does not require any effort on behalf of anyone in order to make it come true. Quite the opposite, the second scenario will only advance if there is a serious commitment in the regions, and the international context is favourable. **Between these two extreme options there is a great diversity of possible scenarios** which include elements of both.

The EU's response to the Latin American agenda and future scenarios

Lastly, it is necessary to analyse the **response of the European Union to the Latin American agenda in the past and today,** in order to study how it should confront the different scenarios.

For this effort it is necessary to start off from the Community policy as is reflected in the different texts published since the mid 1990s. The starting point would be the strategy for Latin America in 1994 and the document for the strategy of the Commission of 1995 [(Com) 95 495]. This was the **first time that the Union established a strategic framework for its relations with the region**. This is the moment when the idea of "association" with Latin America is introduced, in a search for an important qualitative advance in these ties. They were texts that articulated a political vision on behalf of the EU with regards to the different Latin American challenges at the time, such as international economic insertion, the promotion of integration, State reforms and attention to basic social needs. The Council strategy also opens up to the signing of Association Agreements as a means to materialise the intensified relations. Both **texts established the ideal framework for the push forward in political dialogue** that resulted from Summits of Heads of State and Government.

What has happened since? In reality, the **strategic view remained stagnant** in texts dating back between ten to five years, because the documents produced afterwards by the Commission did not have such a broad reach and lacked strategic projection; in fact, they were mainly programming exercises (pre- and post- Summit) with a certain organisation of the priorities, but they did **not pose the need for a fundamental revision of the strategy** established in order to adapt it to the changes that had taken place both world-wide and in Latin America (see the summary of these documents in Annex 1). To sum up, we can see a decline in ambition on the part of the Community in its vision of relations with this region; paradoxically, this situation coincides with the preparations for the Summits (which should constitute the best moment for this bi-regional link).

For all these reasons it is **necessary to draft a new strategic document** (which goes beyond cooperation, such as the regional strategy papers [RSP]), that responds to current demands and clearly opts for ways to promote a favourable scenario.

Table 2. Latin America at the turn of the century. Elements of change in the regional agenda

Latin American agenda at different times				
Scope	*The past (1995)*	*The present (2005)*	*Possible (extreme)Future Scenarios (2010-)*	
			"Fragmented LA"	**"Latin American Community"**
International context	- End of the Cold War: the international agenda moves towards economic competition in the world of globalisation - "Open regionalism" as a strategy for international integration and insertion - Inter-regionalism. International "group to group" relations.	- Security agenda and "war against terrorism". Fight between the *neocon* and cosmo-political views of international order - Multilateralism. Governing the international system and provision of public global goods - Millennium Development Goals (MDGs): development cooperation gives priority to low income countries in Asia and Africa - Tensions between regionalism and multilateralism and uncertainty about trade negotiations (start of a new round of negotiations at the WTO in 2001). Creation of G-20. - Emerging countries: BRICS, anchor countries.	- The security agenda marginalizes LA from the global agenda. - International cooperation with LA keeps decreasing due to the "MDG effect". - Doha Round causes division of developing countries (with Brazil amongst the BRICs); FTAA does not succeed, but the partial strategy does (CAFTA…). - Regionalism in decline - UN reforms fail leading to "everybody for themselves" strategy. - The "Washington disensus" weakens the IFIs.	- The security agenda loses importance us the agenda for world development. - The campaign for middle income countries finally succeeds and greater attention is given to cooperation with LA. - The Doha Round was completed thanks to the commitment shown by several OECD countries to reduce agricultural subsidies. - FTAA is finally achieved thanks to advances in the WTO. - UN reform is achieved with a permanent (rotational) representation of LA in the Security Council. - IFIs focus more on social cohesion.
Latin America				
* Economic dimension	- Washington Consensus (liberalisation, privatisation) - Economic recovery and growth (1990-97) - Priority to regional/bilateral agreements for free trade - Increase of Direct Foreign Investments	- Financial crises (Mexico 1994-95, "tequila effect". Brazil 1998; Ecuador; 1998-2000; Argentina 2000). Volatility of the global financial system. NAFI debate. - "Lost Quinquennium" (Increase of regional GDP 1998-02, only 1%, similar to the lost decade) - Crisis of the "Washington Consensus": "Second generation	- A new financial crisis appears due to the possible North American recession. - LA grows, although not much in comparison with the rest of the world, so there is no great reduction of poverty or a great advance towards the MDGs. - Integration is still stagnant - There is a significant lack of investment	- Relatively high and steady growth allows advancing towards WTO achievements. - Boost of integration of both formal schemes and intra-regional initiatives (IIRSA; Petroamerica?). - Foreign investments shows interest again in LA.

		reforms", "Post-consensus…". - Stagnation and crisis integration; increase of the economic "neo-nationalism", along with emergence of new projects (CSN) - Direct investment fell (with the partial exception of China and what remained was concentrated in a few countries). - Increase in migratory remittances.		
* Political dimension	- "Democratic optimism": agenda for democratic consolidation - State Reform - Fundamental human rights /political rights	- Crisis regarding governance and conflicts (Argentina, Bolivia, Colombia, Ecuador, Paraguay, Venezuela…) - Citizenship rights (social and economic rights. Access to institution. Right to justice) - Lack of security for citizens. Reform of the security sector. - Common management of migratory flows - Armed conflict in Colombia gets worse, with repercussions in neighbouring countries	- Caribbean countries, except for Venezuela (and Cuba?) align with the US while the rest create a South American group (with no institutionality). - Institutional instability becomes a "normal" factor. - Bolivia has to confront internal facture: a failed state? - Boost of the ethno-nationalist movements hindering the State's viability - Colombian crisis remains yet to be solved, intermittent conflicts with Venezuela. "Regionalisation" of the conflict	- The South American Community became reality, boosting political dialogue in the region. - Rio Group and the Andean Community successfully complete the peace initiative in the area. - Bolivia achieves a strong agreement with Chile/Peru for sea access - Citizen insecurity decreases - Peace agreement in Colombia and transformation of the armed groups into political actors.
* Social dimension	- Slight reduction in the poverty indexes due to economic growth - The battle against poverty is subject to economic growth and is based on "focused" compensatory social policies (FIS-FES)	- Poverty and inequality remain stable. - Social agenda: fight against poverty, but with distribution-related issues - Social cohesion and citizenship rights - Migration: economic crisis as a factor of expulsion. Social impact and rights for immigrants	- There are no advances in social inclusion - Social conflict and violence is intensified - Migratory flows grow spectacularly	- Fiscal pressure increases in the region, but especially the efficiency of public policies. - Efficient distribution policies to reduce poverty. Expulsion of migrants is reduced. - Conflicts are reduced.

Source: developed by authors

III. Conclusions and Proposals

Many diagnoses have been made about the relations between the European Union and Latin America, but most of them are lacking in feasible and specific proposals concerning how to improve these relations. The main aim of this chapter is to redress that imbalance, i.e. **to go beyond diagnosis** (which is to be found in the analysis in the preceding sections as well as in the national, sub-regional and thematic studies which inform this study). These proposals must serve the European Commission –which has a mandate to launch initiatives in matters concerning foreign activivities- to prepare a **genuine regional strategy that takes in all the aspects of biregional relations**.

That strategy must be aimed at a series of **medium- and long-term goals indicating which tools must be used as well as the players that have to be involved** in each task. This strategy must: not only be visionary but also feasible; to build upon what already exists, but also open up new channels; and make the most of current links but also encourage new networks. It must not merely become just another "between Summits" document; it must be written with the goal of being useful for at least ten years (similar to the period for the agreements with the ACP (Africa, Caribbean and Pacific) countries, with reviews and updates half way through that period). As far as its content is concerned it must not be just a list of the shared "values and interests" and the global aims, nor is it advisable for it to end up merely being a list of scattered actions.

Where the players are concerned, it is extremely **important for the strategy to involve and invite all the actors to form part of it**. A document that only points out what the European Commission will do or can do would be incomplete. First of all, the member States must feel that they are active subjects, so the text must be planned as a strategy of the *Union* as a whole. One of the great failings in many of the Community texts is that they do not commit the members of the European Union sufficiently, so they lose their potential force.[11] Secondly, private European players must find a space that enables them to play a greater part in these ties, including the process of formulating policies. Finally, the strategy would have to look for the complicity of a variety of Latin American players, both public and private, so that they are not merely objects of the Community's policy.

The rest of this chapter contains **proposals that are grouped into five blocks**. The first four coincide with the four aims of the biregional relations that are indicated in the Introduction (development and social cohesion in Latin America; the international autonomy of this region; European projection in Latin America, and; the strategic strengthening of the dialogue), whereas the final section includes specific proposals for the Vienna Summit, a significant moment in the future prospects for these relations.

[11] We must acknowledge the Commission's good judgement for taking up this challenge directly in its new proposal for a cooperation policy (*Proposal for a Joint Declaration by the Council, the European Parliament and the Commission on the European Union Development policy, "The European Consensus"*. Brussels, COM (2005) 311 final).

A. Development and Social Cohesion

Latin America is a region made up of middle income countries, according to the international classification that is currently used. As such, it occupies an intermediate area between the low income countries that, logically, require substantial support from the international community in order to tackle situations of extreme underdevelopment, State fragility, violent internal conflicts, etc., and the industrialised countries. The countries of Latin America have some of the elements that are to be found in both of these groups.

One of the many development challenges that are faced by this region is social cohesion, a phenomenon that is associated with deficiencies in democratic systems, social citizenship that is barely incipient, inequality which is apparently structural and the inability of their economies to take off and to generate enough employment. All this is true in spite of the major efforts and reforms that have been made over the last few decades. Given all this, this subject will be given special attention in this section of the proposals.

In spite of a lot of rhetoric and some relatively intermittent/ occasional initiatives, **the European Union does not exist as such in cooperation with this region; there are 26 donors with very little practise in working together in Latin America**. A partial explanation for this situation is the limited (or virtually non-existent) activity of many European donors on this continent, but even those with a background and a significant presence there, hardly coordinate beyond having an occasional and irregular exchange of information (although there are exceptions).

The problem is largely due to the fact that the Member States do not generally take on commitments at the Summits or accept the different community documents as being something that binds them and requires then to make substantial changes. Yet, the Commission itself also often acts as though its programmes were exclusively its own, and not belonging to the whole European Union. It is undoubtedly the case that **the European Union could improve the effectiveness of its joint effort in Latin America if it were to make progress in coordination and effective complementarity.** There have recently been a growing number of meetings between members of the European Union and between some of these and the Commission, with a view to at least exchanging information and perceptions, but it would be necessary to institutionalise this effort by finding some common thematic axes in which it would be possible to produce collective programmes. Along these lines, the inclusion of entities from several Member States in the consortiums that would put into motion EuroSociAL is also a major breakthrough in the active involvement in Community programmes.

Furthermore, it is incomprehensible that a potentially interesting mechanism, such as the meetings between the Directors of Cooperation ALC - European Union that were held after the Madrid Summit and not long before the Guadalajara Summit[12] have apparently disappeared. The idea lying behind these meetings was to enhance **a genuinely biregional dialogue in this matter** (given the lack of a more significant programme such as the Biregional Solidarity Fund proposed by the European Parliament). Specific mention was made at the last meeting about creating an Internet

[12] More information in: http://europa.eu.int/comm/world/lac-guadal/events/04_proposal_es.pdf

website with information about the supply and demand, but it does not appear to have made much progress and if it exists, the fact that is not public contributes little either to the visibility of the effort or to its transparency. It would be advisable to take up this initiative again, and to increase it and open it up at the same time.

The "progress trap" in Latin America

In general terms, **the challenge facing development in Latin America is not merely one of a lack of resources** (as is the case with Sub-Saharan Africa and parts of Asia). Not only where income per capita is concerned but also with respect to other recognised development indicators –many contained in the MDGs– most of the States in this region have sufficient resources to be able to face up to many of their own problems. However, **these countries are also on the long road between poverty and prosperity, which means that they are highly vulnerable** and there is always the threat of a potential reversal of fortunes. Unlike the poorest countries, the Latin American countries are very exposed to the volatile forces of the international markets and they are frequently overburdened with foreign debt, but in contrast to the rich countries, they do not have the institutions that are required to withstand these types of problems or to face up to foreign obligations without development paying the price on the home front. Furthermore, their **high degree of inequality** means that it is necessary to make an even greater effort to ensure that the economic growth leads to a fight against poverty and social exclusion.

By way of a summary, **Latin America is caught in a sort of "progress trap"**.[13] Therefore, it requires a type of cooperation that is very different from the kind that is given to the poorest countries. International cooperation for this region would basically have to work on three main fronts:

(i) Contributing to **reinforce the technical and institutional capacities** to cope with the development challenges, which implies, among other actions, **supporting public policies** related to the fulfilment of the ODMs and with other aims such as democratic governability.

(ii) Providing **support for economic growth, employment generation and the promotion of social cohesión**, three interrelated challenges which lend sustainability to other interventions.

(iii) By working to **improve the determinants of the international system** in commercial and financial matters so that the Latin American countries can make the best use of the opportunities provided by globalisation.

The first two aspects will be dealt with here, while the third one will be treated in the section on multilateralism.

The aforementioned **does not mean to say that it is necessary to stop making an effort to directly improve the conditions of the poor and the socially excluded.** These measures will still be necessary because the effects of programmes in the three

[13] This concept, which includes the elements of the so-called "poverty trap" -a concept used by economists that has been discussed since the 1950s and refers to the "vicious circle" that surrounds poverty in developing countries (in the sense that the poverty does not enable them to escape from underdevelopment)– has been elaborated upon by José Antonio Alonso, Director of the ICEI in recent lectures on cooperation with middle income countries. A summary of these reflections can be found in his article "America Latina, las trampas del progreso", *El Pais*, (Madrid) 13th October 2005.

areas specified will only be noted in the medium term and even the long term. Meanwhile, **it is not feasible to leave unattended the millions of poor and socially excluded people in Latin America**, among other reasons, because if there is a substantially worsening in the situation this could prevent progress in more structural efforts. The challenge consists of working on the two levels at the same time. In any case, the European Union must reaffirm its support for the region, even when it is committed to increasing aid to the poorest zones.[14]

In this context it is also advisable to reflect upon the **idea of concentrating the cooperation resources on the so-called "anchor countries" of Latin America. This option would not be desirable**, for two main reasons. On the one hand, because it would be a way of giving favourable treatment to the countries that are best placed in economic terms and those that have the most international influence, when initially those are the countries that need less help. On the other hand, this approach would contribute to accentuating the divisions in the region, when the priority for the European Union ought to be to promote integration.

However, the **concept of "anchor countries" could be interesting to enhance triangular cooperation** with the European Union on one side, one of these countries on another side and one state with a lower level of development on the third side; it would be a way of promoting a growing shared interregional responsibility. Some member States have experimented with this type of cooperation, but it would be necessary to do a lot more. In this regard, the "Sachs Report" on implementing the MDGs notes that some middle income countries could and indeed should start to become donors themselves; several countries in Latin America have been running their own modest programmes.

Strengthening technical and institutional capacity

In the long term, it is essential **to improve the technical and institutional capacities of Latin American States'** to overcome their development problems. There is quite a lot of potential in general, but sometimes elements are lacking to make activities sustainable. If the countries manage to articulate these needs (with or without external support), the European Union can make progress in putting into practise the principle of association/partnership in its cooperation programmes.

Many countries in the region have shown their innovative capacity where public policies are concerned, but they often **need specific support for technical aspects or for communications and computing equipment** so that they can improve their feasibility. For example, the *Oportunidades* Programme in Mexico[15], which has managed to improve the social conditions of a considerable number of citizens, has benefitted from technical assistance provided by the World Bank, among other donors.

Cooperation through budgetary support can be very functional for this aim. It is an instrument that makes the Latin American country the main driving force in the

[14] This is in line with the Declaration of the XII Rio Group–European Union Ministerial Meeting held in Luxembourg on May 27, 2005.

[15] A programme carried out since 1997 by the Secretary of State for Social Development in the Mexican Government, basically with budgetary resources, although it has also received some international technical assistance (See: http://www.progresa.gob.mx/).

activities -in line with the international guidelines in matters concerning "alignment"- and it can contribute to improving the decision-making processes, especially in matters concerning budgetary planning.

However, as several interviewees have indicated, **budgetary support is not a panacea, as it cannot completely replace all the other tools.** Instead, it must form part of a varied arsenal, to be used on the basis of the necessities and the situation in each particular country. Furthermore, it requires more advanced capacities from the donors (as regards analyses of the national budgets, monitoring and assessment and technical advice) and it can also lead to problems of "fungibility" or can encourage corrupt practises from governments where there is no established institutionalised practise of transparency and accountability.

Social cohesion in Latin America

After hardly ever being present on the European Union–Latin America agenda in the 1980s and 1990s, **social cohesion has now emerged with great force in biregional dialogue** since a ministerial meeting between the European Union and the Rio Group in 2003.[16] Where it really became a relevant theme for institutionalised dialogue was at the Third European Union-Latin America and Caribbean Summit held in Guadalajara, Mexico in May 2004.

It is a topic that reflects, on the one hand, movements on the world agenda as from the **Millennium Summit, which put human development at the centre of the international debate**, and on the other hand, processes inherent to the two regions. As far as Latin America is concerned, the fact that the region hardly makes any economic progress despite following the reforms encouraged in the so-called "Washington Consensus", has caused many to question them. Those criticisms identified two problems that economic liberalisation failed to resolve (and in some cases, could have worsened), namely: (i) the States' capacity to respond to social demands; and (ii) the socioeconomic, political and cultural inequalities that characterise Latin American societies. Many protests go much farther by affirming that the region cannot prosper if it does not solve its problem of social exclusion and weak States.

In this regard it is useful to be clear about the **complex nature of inequality in Latín America. This region not only faces the "classical" income inequality –known as vertical inequality--, but it also suffers from what is called horizontal inequality which refers to inequities between groups of peoples** (for reasons of race, ethnicity, culture, age, handicaps, etc.). This is not an academic subject since these problems requiere different sets of policies. While in the first case, the approach might be universal through public policies that improve the situation for everyone, eventually reducing inequalities; in the second case, it would be necessary to design specific measures for excluded groups (indigenous peoples, afrodescendant populations, etc.).

[16] Its first formal appearance was in the European Commission's Regional Strategy Paper for Latin America in April 2002 for the period running from 2002 to 2006, where reference is made to the aim to launch a European Union–Latin American "social initiative". However, the programme was not established until EuroSociAL got under way in 2005 (at was still not operating at the time when this report was being drawn up).

In the European Union, the **social agenda has returned to the centre of public debate owing to fears about the effects of globalisation** (i.e., relocation of production, a failure to control immigration, etc.), one of the factors that has prompted the "no" vote in the Constitutional Referendum in the European Union in France and the Netherlands. Furthermore, in the proposal made by the Commission for a new policy for development cooperation (July 2005), social cohesion (and the fight against inequality) is one of the six priority action themes for interventions in the coming years.

In short, **social cohesion is an unavoidable subject in the relations between the European Union and Latin America**. What's more, it must become one of the main axes.

The reason why there was a delay in giving this subject a high profile on the biregional agenda is easy to understand. In the 1980s, the debate between the two regions was focused on the basic problem affecting Latin America: how to consolidate democracies. Although this was not completely achieved, advances were obtained in their democratic systems that were more or less acceptable, so the agenda turned towards the challenge of economic development, which led to debates about trade liberalisation, investments, debt, etc., within the framework of global reforms in the 1990s. With **the maturing of relations that has ocurred over the last two decades**, it was only natural that one of the most complex challenges in Latin America would be tackled in the new century –inequality and exclusion–, which is something that also constitutes a major element of the so-called "European social model".

However, we are barely at the **start of undertaking a genuine strategy in this area.** Several seminars and international technical meetings have been held and the Heads of State and Government of both regions tackled the subject in Guadalajara, but one of the few results that materialised as a consequence of all these efforts is a relatively modest programme of cooperation, EuroSociAL (Regional Programme for Social Cohesion in Latin America).

In addition, there is a serious **danger that this question will be negatively affected by latent biregional conflict**; some Latin American countries are increasingly arguing that they cannot make progress on social issues if they cannot achieve economic growth, and this depends on the opening up of markets within the European Union. Although it is absolutely desirable for this opening up to occur, it is not advisable to use it as an excuse for tasks that are inherent to any national strategy for just development. In any case, the European Union is not innocent in this matter, because it has unilaterally introduced conditions that are linked to social cohesion in the new GSP regime.[17] Both positions are partially justifiable, but they clearly will not lead to broad consensuses on this matter.

[17] These changes (i.e., the requirement that the countries that are beneficiaries of the GSP sign a series of international agreements in social matters) was introduced in response to a demand made by the World Trade Organisation to reform the previous system that discriminated in favour of the drug producing countries (See C. Freres and A. Mold, "European Union Trade Policy and the Poor. Towards Improving the Poverty Impact of the GSP in Latin America". Madrid, Work Document ICEI WP 02/2004).

Proposals for social cohesion

Given time these problems will probably be overcome, and they should not prevent an impulse being given to social cohesion within the biregional agenda. However, the controversy mentioned above reveals that this is a "sensitive matter", so it is necessary **to approach it with farsightedness and caution**. Caution is necessary to avoid creating the perception that the EU is trying to "sell" or "export" its social model to Latin America. It should be remembered that this model is in a state of transformation and some Member States are even questioning aspects of it. On the other hand, it is fairly obvious that this model cannot be extrapolated to the reality of Latin America. Lastly, there is the risk of seeming to be paternalist, which would undermine any well-intentioned effort.

Regarding the needed vision, it would appear to be clear that a **strategy that endeavours to contribute to real transformations in Latin America cannot limit itself to mere technical solutions.** In fact, the proposals for enhancing social cohesion must stem from recognition of the political nature of this issue and the need for far-reaching and long-lasting solutions. It is a question of encouraging changes in the behaviour of the political class, contributing to institutional reforms, and even effecting major changes in citizen's mindset. None of these transformations can be achieved overnight, as they would require ongoing support for many years. In relation to these matters, it is important to realise that the role of European cooperation can only be one of "accompaniment" and enhancement through diffusion and persuasion.

On the other hand, perhaps this is **where there is the greatest risk of creating expectations that the European Union is later unable to live up to.** From the technical point of view and that of cooperation, the limited nature of EuroSociAL and its goal of putting into practise the lessons learnt might be well-conceived. However, going beyond this programme, a reflection about more extensive measures must be initiated and permanent political dialogue on social cohesion must be maintained. The brief meeting organised between the Commission, the Inter American Development Bank (IDB), the World Bank and the International Monetary Fund (IMF) in May 2005 could be a step in the right direction, but **these financial institutions must be more firmly committed to making an effort to incorporate this concept in their work**.

The proposals **for social cohesion** can be structured on three levels:

a. *Promoting the issue on the international agenda*. Along the same lines with the meeting between the institutions referred to above, it would be important to encourage a **permanent global debate about the problem of social cohesion**. The reflections with respect to the MDGs could offer a good space. Although these concentrate on the situation affecting the poorest countries, it is perhaps possible to use general discussions on development challenges to study the possibility of establishing a specific approach for middle-income countries.

   Along these lines, ideas could be examined such as designing **social cohesion strategies (SCS) in Latin American countries which could be used as benchmarks for cooperation** there instead of the poverty reduction strategy documents (PRSP / *Poverty Reduction Strategy Papers*) that are more suitable for the low income countries. The European Union –not just the Commission but also

the Member States– could promote this idea as an experiment in some Central American and Andean countries, linking it with the Association Agreements.

b. *Integrating social cohesion more fully into the dialogue.* This subject would have to be put at the centre of the biregional dialogue. Up until now **social cohesion has been treated as a secondary matter**, which does not involve "hard" shared commitments, with real political or financial implications. Even at the Guadalajara Summit, the debate about multilateralism relegated social cohesion to a secondary level. At the XII European Union–Rio Group meeting in May 2005, the question was raised several times, but no new ideas or proposals for new initiatives emerged. All of this shows the **lack of a real and deep consensus about the concept**[18]; it would be advisable to overcome this limitation if the aim is to really take it seriously.

   If this matter is to play a more important role in the biregional dialogue it would be advisable **to increase the participation of civil society organisations (OSC) that promote social cohesion** permanently through their work in the field and in policy advocacy. Furthermore, the emergent biregional education cooperative space can contribute to this because it could deal with problems of inequality to be found in the Latin American education systems. Finally, it would be essential to pay more attention to emerging aspects in European–Latin American relations such as migration flows and citizen security that are closely linked to social cohesion.

c. *Social cohesion should play a more important role in development cooperation*. It is in the area of cooperation where the new approach can be best seen. A first recommendation is the need to **establish specific aims and targets for cooperation in matters concerning social cohesion**. It would appear that one basic challenge is to spread the concept more widely among Latin American societies, so support could be given to a variety of awareness campaigns with an emphasis on rights. With a view to enhancing the social agreements that are essential for this approach, it would be sensible to back the setting up of economic and social councils in Latin America, using those already established in the Member States as a means for training. The latter has a lot to do with the need to enlarge EuroSociAL so that it includes the participation of OSC, members of parliament and representatives of local and regional councils in order to create a greater impact.

   A second major challenge is **to link social cohesion to economic development**. In this case, it would appear that a central element involves creating employment and generally increasing productivity in Latin America. That is to say, it is important to improve access to social services, but if greater wealth is not generated one part of the population is going to end up leaving and the other could fall under the influence of the neo-populists or clientelist policies which undermine the legitimacy of Latin American democracies in the process of being

[18] In general, there is no unified consensus about the meaning of this term. It sometimes seems to refer to the fight against poverty and inequality, as though it were synonymous. At other times it is given a more comprehensive treatment, whereas the term is sometimes confused with such questions as social policies are really only one component.

consolidated. Furthermore, it would seem to be important to channel resources to young people in the region because future prospects depend upon them.

Social cohesion **could also be tackled in negotiations for Association Agreements**. To this end, there are different means of action which can be undertaken within the framework of biregional relations. Firstly, it is necessary to know more about the real and potential impact of free trade on employment, income distribution, regional development, equitable land distribution and demands on social services. As will be seen later, impact assessment studies of current agreements must be carried out – Mexico, where the agreement has been operative for the last five years is an obvious example -, and ex-ante impact studies in the case of the Andean Community or Central America, once negotiations have begun. In the latter case, there is as additional argument which is the greater asymmetry in relation to the EU.

Secondly, these impact assessment studies would need to inform the way priorities are defined for development cooperation policy which will be implemented in countries which have signed or are expected to sign association agreements. With these measures, more efficient coordination could be achieved between European cooperation policy and domestic policies aimed at encouraging industrial reconversion, strengthening institutions and mitigating the social cost of the transition to free trade. In this way, one could ensure that these agreements would foster cohesion or, at least, avoid or lessen any possible negative impact.

Third, social cohesion is also linked to institutional design and sectorial policies in Latin American integration plans – it is clear that a European style "cohesion policy" would not be feasible in Latin America, for political and economic reasons. However, new mechanisms are being proposed to compensate the imbalances which are under discussion in Mercosur or NAFTA. The EU could offer political support and technical back up for these initiatives. In this context, the European Union could lend its support to the Integrated Social Development Plan for Andean Countries (*Plan Integrado de Desarrollo Social Andino* /PIDS) and similar initiatives, as well as physical integration, and in particular some components of programmes such as the Initiative for Integrating South American Regional Infrastructure (*Iniciativa para la Integración de la Infraestructura Regional Suramericana* /IIRSA).

It would also be necessary to explore new avenues that do not necessarily require a great deal of official aid. For example, the operations involving exchanging debt for education can slightly reduce this problem while at the same time guaranteeing national resources for an essential area for social cohesion. Furthermore, public–private alliances offer interesting advantages for tackling certain social problems, especially on a local level.

Last of all, it would seem that the European Union would have to prepare **its own strategy for cooperating with the indigenous population and Afro-American groups,** who are emerging with certain force, although they are still being excluded economically, politically, socially and culturally in the Latin American countries.

Finally, it is important to be clear that **it is not possible to face up to this challenge seriously with limited resources (or with the procedures) that the European Commission has (or will have).** Therefore, it is necessary to work in two directions. On the one hand, it would be necessary to "leverage" more, which means encouraging others to participate using their own resources. Along these lines it would be interesting if the European Investment Bank (EIB) were to support programmes that directly or indirectly make a contribution to social cohesion. Several Member States have started to work in this direction but it would be advisable to look for greater complementarities. In addition, a special fund could be set up for small-scale pilot schemes that were more flexible and would allow for co-financing with private and public entities from the two regions.

B. International autonomy, regionalism and integration in Latin America

The idea is widespread in Latin America, albeit with different nuances, that the international insertion and the influence of a country in the multilateral organisations and in the commercial negotiations and in the efficient management of the regional interdependencies depends upon joint action as a region or as a subregional group. That is why "new regionalism" in Latin America has been characterised by the enlarging of the agenda, transcending the commercial dimension, to areas such as an agreement where foreign policy is concerned, regional security, the movement of people, energy cooperation, the fight against organised international crime or the environment.

However, it is a "light" regionalism, which rejects the construction of strong regional institutions and the idea of supranationality on the basis of traditional notions of national sovereignty and the supposedly greater efficiency of intergovernmental schemes, which would be difficult to sustain empirically. It is also **a "selective" regionalism in which the agendas are different -**Chile and Mexico, for example, have an option of commercial integration with the United States that other countries do not have-, and there are subregional options in trade matters, with agreement frameworks in matters concerning foreign policy or security policy of subregional, regional or hemispherical scope, including the Rio Group or the Organisation of American States (OAS). More recent proposals such as the South American Community of Nations (CSN) are added to that. All of this serves to define a complex regional panorama which is confusing and in general not very efficient. The atmosphere of uncertainty which dominates international trade negotiations and the weakness of integrated political projects lead to contradictory options and opportunist behaviour, and on occasions the medium- and long-term integration goals on the agenda are not clear. Finally, **it is an "elitist" regionalism, given that it does not enjoy the support of most of the population** and there is no sense of common identity, not even an incipient feeling, on which all regionalist processes must be based, according to some observers.

A considerable number of players find that the lack of effectiveness and efficiency is most marked in the foreign policy arrangements. The influence of Latin America and the different subregions suffer the effects of this low level of political agreement and a lack of structured mechanisms beyond the Rio Group or the OAS. In any case, the

latter body is a mechanism of hemispherical scope and its agenda focuses on consolidating democracy and regional security. **The European Union must encourage and at times expressly demand that the Latin American governments reach agreements with respect to their positions as a prerequisite to dialogue and regional cooperation**.

The Latin American integration scenario is also characterised by widely differing perceptions. On the one hand, **great expectations are observed, perhaps over optimistic, about the South American Community of Nations** and other projects with a "Bolivarian" air about them, in the field of integrating the energy sector and infrastructure, with three "pillars": agreement of policies within multilateral bodies and dialogue with other countries; convergence between the CAN and the Mercosur; and physical integration through the IIRSA programme, which got under way in 2000 with the participation of the Inter-American Development Bank, the Andean Development Corporation (CAF) and Fonplata, which aims to unify the region through infrastructure, with a view to improving its insertion in the world economy.

There are also **observers who state that in the medium term Mercosur could overcome its crisis and create supranational institutions and binding standards**; that it will reconstruct the customs union and advance towards the forming of a genuine common market, with common policies: it will establish mechanisms for coping with asymmetries and promoting social and territorial cohesion; it will bring together the Andean countries through different means, creating a powerful South Amerian economic and political block. An expression of this would be Venezuela's request for admission to Mercosur, which was made public in October 2005 on the occasion of the Ibero-American Summit in Salamanca. In the case of the Andean Community of Nations, in a similarly optimistic vein, it is stated that the negotiation with the United States, as well as with the European Union, could be the "external federator" which would push this group towards definitive integration. Finally, in the case of the North American Free Trade Agreement (NAFTA), there are voices that say that the European experience of integration is relevant for advancing towards a "North American Community" with common policies for managing mutual migratory, environmental and security issues. Although these positions might not be very realistic, repeating as they often do integrationist and well-intentioned rhetoric, today there are greater possibilities for success as a result of the political convergence between the leaders of Brazil, Argentina and Uruguay, in Mercosur; the integrationist move by Venezuela and its proximity to Brazil; deadlock of the Free Trade Agreement of the Americas (FTAA) , which came to a standstill partly because of the unacceptable offers made by the United States in the area of agriculture; and the convergence of Mercosur and the CAN, which in the next ten years could give rise to a South American free trade zone thus giving support to the CSN's political projection.

Paradoxically, along with these optimistic views, there are also authoritative voices who express **a certain degree of scepticism and desperation and they recommend caution regarding the integration processes** that are currently in operation, or considered to be "at a standstill" or "in crisis". That perception, which is more widespread than the preceding one, stems from the scant specificity of the CSN proposals and the difficulties that arose in the free trade negotiations between Mercosur and the CAN, which constitute the backbone of this project. They are also based upon the Mercosur crisis, whose customs union has been deteriorating over the last five years,

without there being any prospects of improvement. This deterioration is, to a large degree, the result of unilateral measures, which often respond to the priority given to domestic interests, the financial turbulence that has affected the subregion; and the doubts about Brazil's leadership and its real interests in the process. In this context, the difficulties regarding Venezuela's membership of Mercosur and the obvious inconsistencies of pretending to be part of two customs unions at the same time: one to be constituted by the Andean Community of Nations and the other Mercosur, despite its shortcomings and imperfections.

The ups and downs affecting Central American integration, in crisis since 1997, have contributed to this scepticism. The integration process was reactivated by the external "catalytic" effect of negotiating with the United States for CAFTA. Other factors are the recurring crises affecting the CAN, whose institutional structure has been discredited because of its inefficiency; and also the commitments and schedules for fulfilling the customs union that are constantly being flouted. In the latter group, the instability caused by the social and political processes in Ecuador and Bolivia also give rise to scepticism with regard to the future of this regional group. Finally, reference must be made to the United States, which creates divergent trends and has a scattering effect on a political level, because it causes confrontation between Venezuela and Colombia, and on an economic level, with the negotiation of free trade agreements that isolate Venezuela and Bolivia. This last question is crucial, because the future of the CAN depends on those Agreements. **In this sense, one might wonder whether European Union policy is appropriate. Some observers of the Andean region believe that the European Union might be reacting "too little and too late" to the US proposal.**

As far as the European Union is concerned, **it is beyond doubt that it is committed to integration, and most expect that the European Union will continue to support both regional and subregional integration as well as the regional institutions**. If the European Union ceases to do so, what other external player will do so? In critical periods, the support given by the European Union to integration has been decisive and it is a major asset. However, **it is also the case that the European Union does not have a global and strategic policy to back up Latin American integration, and there is a widespread sense of disinterest and disorientation where this support is concerned**.[19] The European Union seems to view Latin American integration from the commercial perspective and the institutions at the service of this, although it is true that there are programmes of cooperation that have envisaged other aspects. In a nutshell, that policy has been based upon the support of the institutions for integration and the setting up of customs unions, through technical and financial assistance. Another significant aspect of this policy is the "incentive" offered by the Association Agreements made with Mercosur, Central America and the Andean area, in which the agenda has been defined, to a large extent, by the Commission's Directorate General of Trade. The disappointment with respect to that strategy should come as no surprise. As it is subject to the progress and setbacks of each integration scheme, when these processes come to standstill, the European Union's policy is affected in the same way.. The signing of the agreements with Chile and Mexico has also added to the confusion. It is **perceived that the European Union has awarded the most advantageous Association Agreements, which include free trade, to the countries that reject**

[19] Although the matter has been dealt with in different Communications from the Commission and in regional strategy documents, the most recent specific communication about integration and its relationship with development dates back to 1994.

integration and which have instead opted for the United States hemispherical project. This perception may be either incorrect or biased, as it does not take into account that the signing of agreements with those countries is easier as it does not pose the technical problems raised in biregional agreements such as the one being negotiated between the EU and Mercosur. However, this perception exists and it leads to the idea that the European Union's strategy in Latin America is "reactive" vis-à-vis US initiatives, and that its primary motivation is the defence of EU economic operators' interests. In the end, this affects the credibility of the EU's integrationist discourse.

This situation has led to some players pointing out that the European Union ought to change its strategy: once and for all it should certify the "end" of Latin American integration, leaving the regional institutions to their own devices, and back a new policy where trade is concerned referring to the WTO framework; and on the political front, it should be committed to a bilateral relationship in which the "anchor countries" are given priority, privileging them with a more favourable treatment in terms of policy dialogue, and giving legitimacy to their respective subregional leaderships. This strategy, however, does not solve the problem and would have considerable costs, in view of the fact that it delegitimises the previous actions of the European Community in this field, causing the other countries to reject it, and it has been explicitly rejected by such players as the European Parliament.[20] However, it is possible to establish a closer relationship with countries like Brazil or Argentina, to the extent that it supports a "cooperative leadership" that makes a contribution towards supporting Mercosur or the CSN. **The political message ought to be very clear: the dialogue with the European Union is conditional on advances in integration and its contribution to multilateralism, and not on abandoning it in favour of an agenda with regional hegemonic objectives.**

Lessons must be learnt from the setbacks to the European Union's integration processes and the cooperation programmes for supporting objectives that are not fulfilled, such as the Customs Union. If this is to happen, it is necessary to have a more in-depth working knowledge about which obstacles have emerged, why, and to contribute to **making a better evaluation of the economic, social and environmental costs and benefits of integration** breaking this down into production, territorial and population sectors, identifying measures for reducing them. This is an area in which cooperation from the European Union can make a major contribution, and in which greater dialogue and cooperation with regional institutions that support integration, such as the IADB, could also be helpful. Along the same lines, **cooperation can be orientated towards strengthening the foreign trade negotiation capacity of each group,** as happened in Central America where the CAFTA was concerned.

On the basis of these elements, **the European Union has to define an enlarged integration strategy, which is able to recognise the multidimensional nature of Latin American regionalism and the different players involved,** and one that is not dependent upon and subject to the way in which the commercial commitments evolve in each subregional scheme. That strategy ought to envisage both the regional and subregional level, through a frank dialogue with Latin American governments and through being more demanding with regard to the scope of the Union's commitments. This strategy should also be characterised by a great level of involvement and coherence

[20] See the Final Document from the XVII Interparliamentary Congress between the European Parliament and the *Parlatino*, held in Lima (Peru), 14th to 16th June 2005, Point 2.1.

with the other DGs and services that operate and have programmes in the region (DG TRADE, AIDCO, INFSO, DG ENV, etc.). Along the same lines, **that strategy ought to be based upon a broader reflection on the role played by regional integration in the cooperation and development strategies of the middle income countries, and their contribution to the MDGs** and the development targets for which there is an international consensus.

On the regional agenda, **the South American Community of Nations is still too incipient a framework to develop a political dialogue with and to initiate significant cooperation activities**. **However, its evolution must be closely observed, and a demanding attitude must be adopted**, and in the event of the CSN becoming more consolidated, to asses the possibility of starting a political dialogue with this Group. The European Community must consider in its next regional strategy (RSP) certain cooperation activities in priority CSN axes, such as joint management of the Amazon or the development of regional communications and energy infrastructure. Those actions not only have an intrinsic value, but they can also constitute a political sign of support for this process if it obtains practical results. Although the Commission does not have the financial resources for taking actions in the field of infrastructure, because they are very costly, it can promote the participation of the European Investment Bank (EIB), through the credit lines authorised for Latin America, in IIRSA projects in which the IDB or the CAF are involved. However, this bond must be forged cautiously because it is possible that some of the major IIRSA infrastructure projects are opposed by social organisations on both sides of the Atlantic because of their environmental impact –the heated debate aroused by the Puebla–Panama Plan, in spite of its limited scope, is a good example in this respect-, but attempts must be made to try and overcome this.

In the energy sector, cooperation with regional integration schemes and especially with Mercosur and the Andean area respond to strategic interests not only of Latin American countries, as it deals with one of the "bottlenecks" that affects their development, but also the interests of the European Union. It does so by guaranteeing a diversification of the sources of supply of hydrocarbons in countries where there is a presence of European companies in the sector, and it reduces the dependence on zones where the possibilities of instability are very high. Programmes such as the "energy ring" being studied by Mercosur, which would link Bolivia, Chile, Peru and the members of Mercosur through a network of gaspipes would also help to avoid disputes like those which have confronted Bolivia with Chile, and Chile with Argentina regarding this matter. This could be achieved by "multilateralising" them within the South American framework or the association with Mercosur. From the Commission's point of view, the concept of "Energy Association" developed by the Commission (DG Energy) could form the basis of a new aspect of support for regional integration.

In this sense, the commercial convergence between the CAN and Mercosur is of particular interest. In view of the subregional approach adopted by the European Union, insufficient attention has been paid to this process. Although there are reasonable doubts about the likelihood of it succeeding, it could form the basis of a South American economic entity that is less ambitious in its design, but at the same time more feasible than the CAN, because it does not take on objectives that are as difficult to attain as the customs union or effective supranationality. The European

Union **ought to monitor, give institutional and technical support to and establish a dialogue with those responsible for its development,** without this affecting the possibility of pursuing more ambitious goals in matters concerning the liberalisation of services, public purchases, protection of investments or patents and copyrights with Mercosur or other groups.

The European Union's new integration strategy ought to envisage a more extensive agenda for dialogue and political cooperation, including **the links between regionalism and democratic government, regional security and the prevention of conflicts, and the management of other regional interdependencies**. With a view to this, the European Union could encourage specialist dialogues between public, private and civil society players, within each subregional agreement; back up the adoption of "democratic clauses" in the integration agreements; encourage the involvement of regional institutions in the political crises in the region through a process of deeper consultations with the Council of the European Union, within the framework of the PESC; and give backing to cooperation programmes in the area of reforming public policies, democracy and human rights that **reinforce the political dimension of regional integration**.

In the area of security, there is still a long way to go before the subregional integration agreements become "security communities", but there is a great potential for cooperation in order **to promote cooperative security and regional democratic security concepts and practises** based upon adopting new defence doctrines; mechanisms for managing crises and mutual trust measures, along the lines of the Organisation for Security and Cooperation in Europe (OSCE) model; to confront international organised crime; and to promote risk reduction and alleviation in the event of disasters caused by natural, within the framework of the provisions that are contained in the Hyogo Declaration about regional capacities in this area. The European Union can promote this cooperation through specific subregional dialogues and through experiences gained by the participation of the Latin American military in operations involving the management of crises and peace missions from the European Union or its Member States.

The European Union's enlarged integration strategy must attach greater importance to the link between democratic governance, efficient sectoral policies and the establishment of a framework for quality control that is capable of attracting foreign investment and that will contribute to bringing about an increase in employment and social cohesion; and which facilitates sustainable management of natural resources. One important aspect of this bond is the training of technical teams for regional integration. **The European Union can promote a regional school of integration, government and public policies that includes the participation of the technical organs involved in the integration process and the European Commission**, aimed at technical teams, political and social leaders, and members of corporate organisations, which is more flexible and decentralised than the earlier Training Centre for Regional Integration Regional (CEFIR).

As previously mentioned, the integration strategy will have to pay more attention and give greater support to designing and establishing mechanisms for reducing asymmetries and promoting a productive transformation in the regional integration agreements, with a view to obtaining a convergence of income levels and

social and territorial cohesion. This link between integration and social cohesion is as yet somewhat uncharted territory. The European experience in matters concerning the redistributive transfer of structural funds and cohesion funds is of little use to Latin America. These mechanisms have hitherto been absent from both the Latin American integration and NAFTA. However, there are some initiatives in this sense in Mercosur, and it has been suggested that it would be advisable to include them within the framework of a NAFTA review and update that could lead to setting up a "North American Community". **Cooperation in this area could be focused on regional development, through compensatory policies that would overcome the often cliental nature of "social funds" which have proliferated in the region in the last decade, or by strengthening production transformation or technological access policies.**

The European Union's cooperation with integration processes would have to work more on other aspects of regionalism that affect regional and local development: cross-border cooperation, especially with respect to the movements of persons, workers and immigrants; joint management of river basin and the management of natural spaces; the regional networks of cities (such as *Mercociudades*); the development of regional tourism projects (Maya Route); and the actions for reducing and lessening the effects of risks in the face of natural disasters (earthquakes, tsunamis, hurricanes, volcanoes and floods); and promote the prevention and mitigation of risks regarding disasters caused by natural catastrophes (earthquakes, tsunamis, hurricanes, volcanoes and flooding), in the framework of the Hyogo plan of action for 2005-2015 on regional capacities in this field, and with a view towards creating a global system of early warning around 2006 within the United Nations framework.

There is a strong demand for an institutionalised participation in the processes of integration by regional networks of civil society and business sectors, in particular in Mercosur and the Central American System (SICA). However, these networks are very weak in the CAN. The participation of these sectors implies promoting "integration from below"/ "grassroots" integration which gives greater support to the process in the medium and long term, reducing its vulnerability in the face of economic cycles and adverse political crises. To be specific, the experience of the European Economic and Social Committee (CESE) is considered relevant. With a view to this, **it could be advisable for the "horizontal" cooperation programmes of the European Community based upon networks of civil society organisations, local corporations, universities, to be more explicitly linked to integration and the regional debate.** This will also contribute to the construction of an identity and an integrationist culture, thereby exceeding the current perception that integration is an abstract concept that is the heritage only of political and academic elites.

C. The EU's Presence in Latin America

As pointed out at the beginning of this report, **the European Union has neither the weight nor the influence it could have in Latin America**. For many observers, this is due to: the EU's lack of a clear and coherent strategy; the perception, except in trade issues, that the EU "does not speak with a single voice"; and the lack of resources it has for its cooperation policy, since –for the most part– bilateral aid from member states is

not considered part of the EU. Even though it gives much less aid than the EU, widespread opinion holds that the United States has much more economic and political influence, especially in the Andean region (which would appear to prove that the amount of aid is only one factor among many when it comes to determining the influence of external actors). The argument that the EU is the principal donor in Latin America only reflects a numeric fact that does not coincide with the prevailing perception held throughout the region.

The Gap between Objectives and Resources

This perception is particularly strong upon assessing the series of Summits and the "Strategic Association" project, which –according to overall opinion– are not be backed by the necessary resources, which in turn undermines the EU's credibility and its political commitment to this project. There are some notable mistakes in this perception; however, it is also based on real facts that must not be overlooked. As the Commission has repeatedly pointed out, Summits are intergovernmental events, and the development of agreements does not only –or principally– depend on the Commission, which only disposes of the resources that the member states decide to allocate to Latin America. It has been stated that countries participating in the "Strategic Association", in practice, act like "free-riders". After having received clear political returns and visibility from the Summits, governments are often unaware of the political and, in particular, the financial implications of a large part of what was agreed to and they let the EC and, in particular the Commission, assume the task of fulfilling them, without sufficient resources. Therefore, this means that the Commission is obliged to shoulder the political cost of unfulfilled expectations. **Greater efforts in terms of information management must be made by the Commission regarding this lack of understanding.**

Nevertheless, this perception is also based on facts that are difficult to deny: **since the launch of the "Strategic Association", scarce additional resources have been committed to Latin America.**[21] In the face of the new neighbourhood policy and spending priorities that have emerged for the Balkans, Afghanistan, Iraq and the Middle East, many actors consider that the best possible scenario is to continue maintaining current commitments in absolute terms. On the other hand, the majority of member states are significantly reducing their bilateral aid to Latin America and redirecting it to other poorer countries. These poorer countries are considered priorities in terms of achieving the Millennium Development Goals, or in terms of the "war against terrorism", and it is alleged that Latin America –a middle-income region– should not continue to receive this level of assistance.

These facts present a serious problem of incentives, since they imply that progress is penalized with lower levels of assistance. On the other hand, they also present some questions regarding the logic of the EU's development policy. If aid should be directed towards the poorest countries, then **aid sent to middle-income countries, in order to have a raison d'être, should be more selective and focused on the development priorities set by these very countries, such as: strengthening of regional integration and trade capacities; institutional capacity; improvement of public policies; and the strengthening of national systems of scientific and technological research and**

[21] According to the OECD, the European Commission's ODA for Latin America in 2002 was around 300 million dollars, while in the second half of the nineties, it averaged almost 500 million.

higher education. In fact, these are areas of cooperation in which there are clear (and unfulfilled) demands by the region's most advanced countries. However, an important part of Community aid continues to be focused on basic social programs. As previously indicated, this is due – in part – to the absence of an EC cooperation strategy for middle-income countries, which has yet to be prepared.

Given limited resources, alternative funding sources must be found and the coordination and complementarity of existing sources must be improved. In this regard, the following proposals are presented:

a) **Promotion of a new credit facility from the European Investment Bank when the current period (2000-2007) ends, with more resources than those that are now available.** In this regard, more emphasis could be placed on regional integration through regional and sub-regional projects on infrastructures for energy, communications, environment and cross-border cooperation management, and support for integration banks like the CAF and the Central American Bank for Economic Integration (CABEI). **The current memorandum of understanding between the EIB and the Inter-American Development Bank (IADB) should be developed** in order to support the IIRSA and the Plan Puebla-Panama. This action could serve as a catalyst for increased European investment in the region, given the explicit backing of the EIB to private European operators. Without limiting EIB´s autonomy, its actions ought to be coordinated with the regional strategy promoted by the EU. It should be remembered that when the EIB started operations in Latin America in 1993, it fulfilled long-standing expectations in the region and the bank is widely recognised, even though it has limited visibility.

b) **Joint action by member states and the European Commission in high impact and very visible projects which support social cohesion and regional integration. Direct involvement by EU countries should be increased and more far-reaching projects should be encouraged in this area.**

c) **More resources should be earmarked for the regional programme, which is considered to be under-financed, by reviewing the current distribution of funds among national and sub-regional programs. This would release more funds** to support actions agreed to at the Summits. It is important to note that the Commission's regional program (RSP) has limited acceptance among Latin American governments, who believe that these funds are beyond their control, owing to the essentially decentralized nature of their management and the participating actors.

d) **Greater coordination between the Commission's different services: in relation to aid programmes for supporting trade** (Trade-related Technical Assistance); Life-third country projects and other programs of the Directorate General of the Environment; Synergy programs of the DG for Energy; INSO and Information programmes, and the INCO Program of the Research DG, just to mention a few of the most significant.

e) **A large number of bi-regional actors look with favour on at the idea of the Bi-regional Solidarity Fund proposed in 2001 by the European Parliament.** This Fund, which would respond to the current "global funds" multilateral model

promoted by different donors, would be of a bi-regional nature in terms of its funding and management, under the coordination of the Commission's services. Based on an initial contribution from the Commission, it could then receive contributions from the IADB and EIB – including the so-called "Ferrero Facility" proposed in the XVII Inter-parliamentary Conference between the EP and Parlatino (Lima, June 2005) – as well as contributions from member states. However, the difficulties involved in institutional design, defining of the governance bodies, and the regulation and implementation of this initiative have been pointed out, and the Commission has proposed that the Fund's goal to mobilise resources towards Latin America could be achieved through existing mechanisms.

f) **The mobilization of new resources for the development and attainment of the Millennium Goals will be a topic of debate at the Vienna Summit,** aimed at: promoting support for international "eco-tax" proposals, like the levy on air travel or aviation fuel; simplifying the transfer of remittances; exchanging debt for education and social development, under study in Spain; and other innovative resources presented by the "Alliance to End Hunger" and by certain states.

While progress achieved through the reform and decentralization process has been highlighted, **the Commission's management capacity continues to be considered one of the EU's main obstacles in terms of properly projecting itself in Latin America.** Among the most notable problems is the slow pace of decision-making and management procedures, the obstacles imposed by the Financial Regulation and the lack of personnel, both in central services in Brussels and in the Delegations. These realities have serious implications. Occasionally, the criterion used to decide what to do, with whom and how, seems to be the foreseeable bureaucratic burden of an action. Sometimes, the design of cooperation programs appears to respond more to the need for management outsourcing, than to other criteria.

Related to the last point, coordination and coherence need to be improved among the Commission's various directorate generals and services that affect relations with Latin America, particularly External Relations (Relex), Development (Dev), Trade and Aidco. With regard to planning and programming, Relex and Dev are considered to have reached a good level of coordination, but the same cannot be said for Trade and Relex, as has been mentioned in other sections of this report. These realities have produced a fragmented view of the Commission's activity. As previously indicated, the actions of other directorate generals (Environment, Energy, Research) must also be better integrated into the Commission's programming.

Finally, in the interest of achieving greater effectiveness of Community aid, **reflection must be initiated on the need to introduce selection criteria and produce in turn proper incentives to promote goals related to "good governance" and improved social cohesion.**

Mutual understanding: a key to making progress in relations

89. In the course of this research, actors from both regions revealed many clichéd preconceptions concerning the other party, and also about biregional relations. Often,

these images become stereotypes that condition and distort the relationship, and sometimes they contribute to blocking dialogue and cooperation thus hindering progress.

One **vision of Latin America often heard in Europe** and which reflects the opinion of many of the respondents is the following:
"Latin America as a region has failed. Even within the region itself there are doubts about its viability as an international actor. On several occasions we placed big hopes on the strong emergence in the worldwide scene of what could be termed a 'Distant West'. Europe feels that there are other regions that fare even worse and need our help, while still others are of more significance to our interests. Latin Americans do not understand this fact and keep on asking for a 'special relationship', but they do not do their part. In sum, we should not waste too much time on Latin America, since that will only bring us frustration."

On the other hand, **in Latin America there is a stereotyped vision of Europe, along the following lines:**
"Europe has disappointed us. We Latin Americans placed big hopes on Europe and specifically on the 'European model', but apparently that model does not even exist, and even if it did exist, the Europeans would not know how to share it with us. The EU has a 'nice' discourse, but in fact they are not offering anything special. When we talk about subjects they like, such as social cohesion, the Europeans take pleasure, because they like to teach us lessons, but when we ask them to open up their markets, they only make excuses. Let us give up placing our hopes on the so-called 'European alternative' and be realistic[22]."

These **stereotypes are important, since they can become real**. Merely through being repeated over and again they can end up determining the 'mind maps' of policy-makers and in this way they may influence the defining of policy options, thereby causing a 'self-fulfilled prophecy' effect that would damage bi-regional relationships.

The fact of the matter is that both regions have undergone a substantial transformation during the last ten years, and therefore formerly held assumptions are no longer valid. This has opened a **communication gap** that is widening with time. Latin America is in a stage of "post-democratic recovery" and "post-Washington Consensus," while the EU is experiencing deep transformations caused by the enlargement, the new geo-strategic configuration of the world, global terrorism, and the influence of the security agenda. If both parties do not intensify their efforts to understand each other, the gap between their respective perceptions and interests will become increasingly larger.

Proposals for an improved mutual understanding

Indeed, **mutual understanding is a major challenge to any European strategy for the region.** To achieve such end, there are a number of actions that could be either promoted or directly carried out by the European Commission:

a. Strengthen external communication and training within the Commission. Regarding the first point, it has been found that some Commission delegations hardly make any effort to **respond to information requests**, but what is of still more concern is the lack of attention paid to local 'Europhiles' who seek minor

[22] In this line, a Latin American ambassador interviewed for this research referred to a "new Tordesillas Treaty" between the EU and the USA, whereby the former would in fact cede the latter [a part of its] influence on Latin America.

support for organising events, carry out research or publish papers or reports on specific aspects of the EU: these are key allies in the dissemination of understanding about the EU (and its relations with Latin America), and the cost of that support is modest. The Brussels head office could **substantially improve the information provided in the Commission web site** in order to make it more appealing and updated. It is significant that, a lot of interesting information is not available either in Spanish or Portuguese.[23] On the other hand, it might be useful to experiment more with electronic forums in order to give the site a more interactive and dynamic quality.[24]

On the other hand, having strengthened the overseas delegations, it would be essential to **improve the training of the European Commission officials** who are responsible for the day-to-day management of the relationships and cooperation with Latin America. Many of the Latin Americans interviewed for this research criticized the treatment they received from their local delegations. Therefore, training should improve Delegation capacity in communication techniques, appreciation of other cultures, etc. D**elegations are, in fact, the true 'embassies' of the Union**, and it is essential that their personnel is keenly aware of their importance in fostering relations.

b. Promoting exchanges between counterparts from both regions, also covering sectors that are not so active in the Europe-Latin America relationships. The aim would be to achieve a **mutual consciousness about the realties of both regions**. The participants in these events would be responsible for organizing further activities to disseminate the results among other stakeholders. Some national entities (i.e., Goethe Institut, Fundación Carolina, and British Council) are already carrying out similar activities, but these are limited to exchanges with their respective countries and in general the aim is to improve understanding of the respective European country among Latin Americans. Little attention is paid to European knowledge of Latin American realities, or to knowledge of Europe as a whole. It would be interesting that this type of body, which has a markedly national approach, should contribute to a joint and trans-European strategy for Latin America.

c. Furthering the European-Latin American educational space. Clearly, this space can, in addition to its educational aims, make a significant contribution to mutual understanding. Typically, however, this approach is limited to exchange programmes for students and teachers. A proposal frequently voiced is that of **integrating Latin America into Erasmus World** (in fact, in 2005, universities from this regions joined this programme for the first time); another one is to create a Fulbright-type programme of prestigious scholarships. Although this is one of the aims of the "Alban" scholarships, the general impression is that they do not fulfil that role. Such initiatives would play a key role, since this research has identified a certain surge in the interest for Latin America among young European students. On the other hand, Europe should be an interesting alternative to the

[23] With regard to languages the case of EuropeAid, is particularly striking, where the Latin America homepage is available in French only. A more serious problem occurred when the EuroSociAL announcement was launched, since for several weeks the rules were available only in French.

[24] In general, the site of the Development D-G is much more dynamic and attractive. Moreover, it encourages visit by offering a weekly electronic newsletter.

United States for Latin American students, given the extremely high cost of education in the USA and the increasing barriers to entry into the country (visa requirements). The EU has a strategic interest in becoming an academic referent of the first order, and this space could contribute to such end, while at the same reinforcing the mutual links in humane terms.

Although the exchanges component is essential, other elements should be included. In this regard, **the situation of training and study centres for Latin American specialists in Europe is a matter of serious concern**, and this situation in the medium term will have serious repercussion on relations. The situation is to a large extent the result of general trends in the academic world (such as the questioning of regional studies and an increasing focus on thematic lines based on the development field) that are causing a negative impact in general terms. One of the consequences has been the closure of several Latin America studies centres, while others centres are being reformed into hemispheric centres where –given the competitive context of funds allocation– resources are likely to concentrate on analysing matters concerning North America. [25] The remaining centres carry on with the aid of limited institutional support, but they increasingly rely on resources linked to projects of limited duration and narrow scope, which is forcing them to curtail more in-depth as well as innovative or experimental research. Obviously, the Commission alone cannot correct this situation, but it can draw the attention of national authorities to this issue and find new ways to support such authorities[26], particularly in activities carried out in cooperation with Latin American counterparts. Finally, it should be noted that **the situation is worse still for European studies centres in Latin America**.

d. Improve the dissemination within the Commission and the Member States of the contents of and the opportunities opened up by the Association Agreements. Although currently limited to two countries (Mexico and Chile), eventually there will a complete network of agreements, and it would be important that several services within the Commission should adapt to this new reality by creating specific programmes and units to cater for increasing demand. The Chilean government has been very proactive in developing this Agreement, and it can provide some useful lessons for this tasks.

Last, a specific proposal that might contribute to all of the above purposes would be to create a bi-regional body with one its priority aims being to improve mutual understanding. Such an entity, which could be called the **Euro-Latin American Foundation** (ELA), or something of the like, would be of a public-private nature, similar to the Asia-Europe Foundation (http://www.asef.org/) established in 1997. Such a Foundation would provide strong visibility to bi-regional relations through – among other means – the membership in its Advisory Committee of highly reputed persons from both regions. Its mandate would cover research, non-formal bi-regional dialogue, training, and the promotion of exchanges, including cultural exchanges. Although it

[25] A recent example was the case of the prestigious Institute for Latin American Studies in London, which merged with another institution to form the Institute for the Study of the Americas (http://americas.sas.ac.uk/about/).

[26] The European Union-Latin America Relations Observatory (EULARO-OBREAL) is an example of what can be done, although different mechanisms, of a permanent nature and allowing a wider range of participants and especially more innovative approaches in themes and methodology, should be found.

would initially be established in one of the two regions, it should eventually have two sites in order to increase its impact. As regards financing, although the Commission would have to provide the initial endowment, the institutional contribution from several Member States, Latin American governments, and private entities would be essential to ensure its sustainability and independence.[27]

D. Towards a Strategic Partnership

As has been pointed out on several occasions, it is **necessary to be specific about what the strategic relation consists of and how it is possible to progress towards it.** With a view to this, it would appear that one of the basic contents would have to be working jointly towards a more efficient and balanced multilateralism. As far as the construction of the bi-regional links is concerned, these Association Agreements undoubtedly constitute the keystones. If a complete network of these agreements were to be achieved, including the whole of Latin America, this would guarantee a minimum platform for attaining a genuine alliance in the medium term. Along similar lines, it is essential to improve the different mechanisms for dialogue that show signs of exhaustion, which have an adverse effect on these relations' dynamism.

The strategic association and the aim of effective multilateralism

A commitment to multilateralism has been taking on greater relevance and acquiring a higher profile in the bi-regional political dialogue through the summit process. This is a response not only to principles that are deeply rooted in the foreign policy and to strategic options in both regions, but also to the need to react to events such as the terrorist attacks that took place on September 11, 2001 and the wars in Afghanistan and Iraq, which are seen as a unilateral and hegemonic policy by the United States, and the need to find more effective responses to the new threats of "global terrorism".

For both regions multilateralism is not an option. It is a necessity and an imperative. This study has shown that there is a high level of consensus in this sense. Latin America and the Caribbean and the European Union, which together account for a quarter of the States that constitute the international community, are an essential support to the multilateral system. If both regions stop supporting that system, what other group of States is going to do so? **The players in both regions see themselves as active participants in that system -particularly, the European Union– and they consider their contribution to be essential to support the regimes and the international organisations and all the standards and conventions that contribute, in spite of their loopholes and weaknesses, to guaranteeing certain global governance.** Furthermore, it is part of the identity and the image of both regions in relation to other international players, such as the United States. The support that the United Nations gave to the Protocol of Kyoto or the International Courts, especially at difficult times

[27] To such end there are international foundations interested in working in Latin America. In this regard, a network created by the European Foundations Centre (http://www.efc.be) could join an initiative of this kind (*Latin America & Caribbean Funders Network*).

such as the Iraq War, fulfils an important function when it comes to constructing the image and the collective identity of Europeans and Latin Americans in the international system.

Promoting multilateralism requires an agreement of positions in international fora. This is one of the aims of the Summits involving Heads of State and heads of Government and in the ministerial meetings that take place in specific spheres. **However, the dynamics and the format of the Summits do not always allow them to turn this commitment to multilateralism into specific actions.** As revealed at the Guadalajara Summit where the Iraq War was concerned, these meetings are useful for creating a higher profile for the political positions of both regions when dealing with the most pressing subjects on the international agenda. However, after three meetings of this type, and in spite of the groundwork that might have taken place, the results are too general and do not make it possible to reach specific agreements. The multilateral agenda is hardly considered in the preliminary work, and often they only act in a reactive way. The classical mechanisms are still used –diplomatic negotiations in New York or Geneva-, with very little participation from the European Commission, without debates or the taking of positions in the Latin American instances of political agreement, and there is no groundwork at intermediate levels –top civil servants, social or academic sectors– or mechanisms for subsequent monitoring. These facts partly explain the growing scepticism aroused by Summits and in general, this type of multilateral diplomacy.

This study has demonstrated that different views and approaches to multilateralism and its role in international politics coexist in bi-regional relations. Firstly, there is a notion that could be referred to as "Westphalian" or "modern". Then there the "Post-Westphalian", "post-modern" or "cosmopolitan" view.[28] Although both elements are to be found in the two regions, it is the "**Westphalian" view of multilateralism that is predominant in Latin America,** and this perspective considers it to be a guarantor or back up to national sovereignty, a window of opportunity that enables the State to project itself on an international level, and a tool for achieving certain interests that are generally defined on a national scale, but doing so at a lower cost. **However, the European Union is closer to a "Post-Westphalian" or "cosmopolitan" view of multilateralism**, perceiving it as the most effective and legitimate mechanism for achieving certain interests that are defined more in global or regional terms, making it easier to provide global public goods, and contributing to the creating of standards and systems and global governance.

There is no general consensus at the heart of each region, and/or between both regions in a large number of matters on the current multilateral agenda, such as the reform of the United Nations and in particular the reform of the Security Council. There is agreement concerning the need to strengthen and reform this body to make it more effective and efficient, more representative and legitimate, but there are major differences of opinion within each region with respect to the specific aspects of this reform. Neither is there any agreement concerning the debate about the regulations for

[28] The terms "modern" and "post-modern", applied to the view of the State, sovereignty and foreign policy, have been taken from Robert Cooper (2000), *The post-modern state and the world order*, London, Demos. The term "cosmopolitan" refers to the Neo-kantian view of the "cosmopolitan democratic govern" from such authors as David Held, Ulrich Beck or Mary Kaldor.

the use of force, "humanitarian intervention" and the "responsibility to protect",[29] in which some Latin American countries are opposed to this type of intervention, because they consider that it could violate the principle of non-intervention and legitimise the "new democratic imperialism" that some European and US academics favour. A third area of disagreement is the aforementioned New International Financial Architecture (NIFA) and the reform of the international financial institutions, in which neither the European Union nor Latin America act with agreed agendas, and there is a correlation of the power of vote in which any change in the status quo, in favour of developing countries, could mean less votes for the European Union. Finally, in the World Trade Organisation, the European Union and Latin America –whether in the "Cairns Group" or in the Group of 20– there are still two different camps in conflict as a result of major disagreements about agriculture and the so-called "Singapore Issues", (public contract markets, competition policy, trade facilities, protecting foreign investment, etc.) although there may be partial agreements about the way less advanced countries are treated.

However, from a comparative perspective, these differences are not nearly as marked as they are with the positions held by the United States. The European Union is still felt to be Latin America's "natural partner" (and vice versa) in many multilateral areas. There are areas of cooperation within the multilateral framework where there are expectations, and possibilities, for a political agreement and for developing specific cooperation agendas. **First of all, there is the strengthening and the reform of the United Nations**. It would seem to be feasible to reach an agreement with regard to some reforms to the United Nations system that have been proposed by the Secretary General in the report entitled In *Larger Freedom*[30], and approved by member States at the High-Level Plenary meeting of the General Assembly on September 14-16, 2005, and which will require subsequent development, including the following:

- The creation of a new Human Rights Council;
- The strengthening of ECOSOC and its ability to monitor development cooperation policies;
- The creation of a Peacebuilding Commission, proposed for December 2005.
- The promoting of UN capability in human rights response
- The fight against arms proliferation, especially small arms.

Where these matters are concerned, a specialist dialogue and/or more intensive groundwork in preparation for the Vienna Summit in 2006 could contribute to achieving more specific consensuses between the two regions.

The new agenda for international cooperation and the Millennium Development Goals are another area of mutual interest, especially with respect to the following questions: **applying the MDGs in middle income countries;** social cohesion and the problems of inequality that characterise the Latin American countries; and **the monitoring of the "Consensus of Monterrey" and the financing of development**,

[29] A term that refers to the different proposals concerning the rules and principles that can be applied to military intervention to stop genocide, violations of human rights and war crimes on a massive scale. See the report issued by the International Commission on Intervention and Sovereignty of States, *The Responsibility to Protect*, 2002, available on http://www.iciss.ca/report-en.asp ; as well as the report from the High Level Group on threats, challenges and change, "Towards a more secure world", United Nations, New York, 2004 (available on http://www.un.org/spanish/secureworld/).

[30] United Nations, *A broader concept of freedom: development, security and human rights for all. Report from the Secretary General of the United Nations*, New York, A/59/2005, 21st March 2005.

paying attention to generating national savings; the role of direct foreign investment and the creation of new tools for mobilising resources, such as international "eco-taxes", on the basis of the proposals made by the "Alliance against Hunger" and certain countries in Latin America and the European Union. The proposals of swapping debt for education promoted by some Latin American countries and the European Union also deserve special attention.

The construction of peace and the prevention of war and armed conflicts, establishing mechanisms for linking Latin America with the European Union's policy of preventing conflicts. In this area, different players have suggested the opportunity of and/or need for promoting cooperation between an incipient European Security and Defence Policy (ESDP) or other regional organisations, such as the OSCE, with organisations such as the OAS or subregional groups – Mercosur, the Community of Andean Nations and Central America - and the "democratic security" or "cooperative security" agendas developed by such organisations as the OAS or the sub-regional groups -Mercosur, the Andean Community of Nations or Central America-. To be specific, **a political dialogue and close cooperation between the EU, the OSCE, and the OAS on these matters could contribute to strengthening Latin America's ability to prevent and manage crises and conflicts and to develop and implement measures for enhancing trust and security in Latin America**. This could occur, for example, through a specialist dialogue about peace and regional and international security in the new scenario after 9/11, which could strengthen the ties that already exist between the OSCE and the OAS, specifically with its Hemispherical Security Committee. One of the preventive measures that could be discussed in the short term could be **the creation of a bi-regional observatory for the prevention of conflicts and peace and security, which could encourage analyses and specialist cooperation** with a view to preventing those situations that might mead to international or internal conflicts; analyse the risks of the emerging ethno-nationalism, and the links between security, the breaking up of state institutions and the social problems in the so-called "fragile states" and "failed states" in the region; and to promote a more active role for both regions in the agenda of consolidating peace and reconstruction after a conflict has ended, on the basis of cases such as Haiti. Along the same lines, the study detected a **demand for greater bi-regional cooperation in matters concerning the reform of the security sector, and giving support to the security of the general public.**

To strengthen the multilateral framework for non-proliferation and disarmament, **Latin America and the European Union must jointly promote an International Treaty to regulate the marking, traceability and illegal trafficking of light arms.**

On environmental matters, the development of Agenda 21 and the Johannesburg Implementation Plan could also be useful matters for bi-regional cooperation. Both regions have some experience with regard to reaching agreements within the United Nations Framework Convention concerning Climatic Change and it could go beyond the year 2012. In the medium term, the **European Community could promote pilot programmes to encourage governments and companies in Latin America and the European Union to play a greater part in the mechanisms envisaged by the Convention and the Protocol of Kyoto –**clean development, joint implementation and commercialising emissions-, within the framework of a more extensive review and updating of the European Community's cooperation with Latin America in

environmental matters, with the participation of the DGs for Energy and the Environment.[31]

Promoting a new international consensus in matters concerning illegal drugs which recognizes the relationship between the eradication of drugs and development and the need to have an integral approach. Although this matter is already the subject of a specialist dialogue, it is necessary to give it continuity and to re-examine its direction and contents so that it can play a greater role in the multilateral framework and especially in the United Nations, where the European Union and Latin America can promote fresh consensuses and/or review some of the ones that already exist. After several decades of fighting illegal drugs and the application of approaches that have not significantly reduced supply, it is necessary to renew reflections based on a joint evaluation of interventions that both regions have been engaged in; particularly those that pretend to reduce supply. This evaluation should take into account, in addition to impact on reducing supply and consumption, social, economic, political and environmental effects. No controversial matters should be excluded ex ante, such as the current treatment of coca leaves and it should form part of a broader policy of conflict prevention in the Andean zone. This reflection should consider new approaches for the reduction and mitigation of damages, alternative development and manual eradication agreed upon with communities that cannot easily be promoted in international fora if the EU and Latin America do not do this. For this purpose it is necessary to have an open debate in the EU which contemplates initiatives by the Parliament and the European Council included in the Catania Report.

The society of information, and cooperation in matters concerning Information and Communication Technologies (TIC*)*. The transparent, multilateral and democratic governance of the Internet, including the internationalisation of the system for managing domains – now in the hands of a private consortium ICANN, which was granted the concession by the United States government -, is an area of common interest that requires multilateral solutions and the creation of a public agency in the heart of the United Nations. The Information Society Summit that is to be held in Tunisia in November 2005 and the subsequent process is a favourable scenario for bi-regional action in this area.

Towards a "network" of Association Agreements

According to the "Inter-regionalist" strategy adopted in the Councils of Corfu and Essen (1994), a "birregional partnership" would be based upon a "network" of Association and free trade agreements with Mercosur, Mexico and Chile compatible with WTO rules, and also Third Generation co-operation agreements with Central American and Andean countries, without free trade areas, due to their minor degree of development. This design responded to emerging economic interests of both the EU and Latin America, which were interested in diversifying its overseas links; it also was the response to Latin America's 'new regionalism' and to the Free Trade Area of the Americas (FTAA) challenge.

[31] In this respect, see the Communications issued by the Commission to the Council and to the European Parliament, *External dimension of sustainable development*, COM (2002) 82, February 2002, and *Energy cooperation with the developing countries,* COM(2002) 408 Final, 17th July 2002.

Currently, the scenario has changed, and the strategy must be adapted. The incentives provided by the FTAA are of lesser import, since that Treaty is in crisis and the US has opted for establishing free-trade agreements with individual countries or specific groups of countries. Furthermore, where free trade agreements with the USA that are capable of affecting European interests are in place (i.e., Chile and Mexico), the EU has already signed the relevant association agreements. On the other hand, the uncertain future of multi-lateral negotiations with the WTO hinders progress on new sub-regional agreements between the EU and Latin America, particularly in the case of Mercosur. Last, **Andean and Central American countries, with the support of some Member States, have rejected such a "dual speed" model which only permits to achieve "third generation" Agreements, and have strongly insisted in obtaining "real" association agreements, since they consider that the ones signed in 2003 between the EU and both groups of countries do not respond to their expectations.** The Commission has kept reminding them that this would entail severe costs to their economies, given the marked asymmetries that exist and the fact that retaining the unilateral and reciprocal preferences under the GSP-plus would represent a better option.

These changes should not lead to a radical change of strategy that meant opting for the multilateral framework of the WTO in order to promote liberalization and abandoning the association agreements. Should this "multilateralist" strategy be adopted, as advocated by some observers, the relations between both regions would be deprived of any economic content and left at the mercy of the uncertain negotiations with the WTO. Such a strategy, furthermore, would not respond to the interests of the EU in the areas of services, government procurement, protection of investments, and other issues where sub-regional agreements allow going much further. Lastly, this option would result in heavy costs in terms of the credibility of the EU and considerably reduce its political influence in the region.

Against this background, the best option for the EU is to retain – with adjustments – the "inter-regionalist" strategy and complete the network of association agreements, albeit applying a more flexible model for the agreements. The goal should be to close the negotiation with Mercosur in 2006, and open negotiations with the Andean and Central American countries in that same year. This schedule is based on the fact that the WTO Ministerial Conference of December 2005 might dispel some doubts concerning the future of those negotiations. **This is a realistic option.** Just as seen in the scenarios discussed in the first part of this study, **a new delay in or the discontinuation of the WTO negotiations should lead to a reactivation of the negotiations with Mercosur and to initiate negotiations with other groups. As a trade-off, this requires making some concessions in the agricultural area, without waiting for the results of an eventual multilateral agreement. However, if Hong Kong succeeds and the WTO negotiations ends with a broad agreement (particularly in the agricultural area), there would be scope for promoting sub-regional negotiations building on the concessions already made by the WTO.** A key factor for both scenarios is the negotiation of the 2007-2013 financial prospects. This negotiation that might be closed in the second half of 2005 can mean a downward revision of the resolutions taken by the Brussels Council in October 2004 on the reform of the Common Agricultural Policy and its financing, which would enlarge the scope for the EU to negotiate both at the multilateral and the sub-regional levels.

For most of the stakeholders in bi-regional relations, the signing of these agreements is one of the most important dimensions of the relationship, and to a certain extent the agreements have become an indicator of the success or failure of the relations. The impression that the relations have reached a stalemate is due to a large extent to the inability to sign the EU-Mercosur agreement on the scheduled date of October 2004, which has led to a wider reflection on the actual possibility of the very signing of such agreements and to a reluctance to open negotiations for the agreements with Central American and Andean countries. The failure of the EU-Mercosur negotiations is not attributable to the EU alone. It is stressed that its position (i.e. its refusal to make concessions on agriculture, its demands in other areas such as manufacturing, services and public procurement) is one of the reasons, but disputes between Argentine and Brazil have also played a role, as well as the limited interest of the latter country in culminating the negotiations. In spite of this, **the agreement with Mercosur has become a veritable "test case" for the situation of the relationship. If this agreement cannot be submitted to the Vienna summit, or if negotiations are not begun with Central American countries and the Andean Community, the perception of a failure can become widespread.**

The failure of the negotiation with Mercosur and the requirements established in Guadalajara for the agreements with Central America and the Andean Countries are perceived in quite different ways. From the perspective prevailing in the EU, the negotiation with Mercosur has shown that a bi-regional integration agreement such as the one pursued involves a minimum set of pre-requisites regarding freedom of movement that only a real customs union can fulfil. But at the same time **it has been established that neither Mercosur nor the other groups of countries will achieve such a goal in the near future**, although Central America might be the sub-region that could come the closest to such end. This is due to both internal difficulties and external conditioning factors, such as the FTA that the US is promoting in the Andean area. **Therefore, in the opinion of quite a large number of observers, these agreements are not possible under current circumstances**. It has been suggested that these kind of WTO-plus agreements, although more feasible with individual countries, such as Chile or Mexico, are not a realist option for bi-regional negotiations, and such a demanding agenda makes negotiating impossible. In other words, a **"lighter", more limited, but more viable agreements would be preferable**. This is compounded by the perception that in fact neither the EU nor some of the Latin American countries – most particularly Brazil – are prepared to make the necessary concessions, and that indeed what the parties are seeking is to gain time pending a clarification of the multilateral scene and the culmination of the negotiations with the WTO. **This issue has also lead to questioning the strategy of the Commission and the degree of integration of its various services**. The desire of DG Trade to achieve an optimal agreement in terms of economic rationality leads it to ignore the political and cooperation aspects of these agreements. In situations such as the Andean region is currently going through, these aspects might in fact be much more important than the commercial ones.

Regarding the Andean countries, the negotiation poses an extremely complex challenge. The "joint assessment" should lead to an adjustment of the perceptions and to concessions by both parties. On the part of the EU, it could mean to acknowledge that its demands are excessive, and that a more flexible agreement should

be offered, thereby accepting an imperfect customs union. The true fact is that Andean countries are already opting for agreements with the US. That could contribute to the fragmentation of this group and lead to counterproductive effects regarding regional integration and the stability and democratic governance of these countries. It has been pointed out that the EU, by posing excessive trade demands, is excluding itself from the Andean context, and in so doing it loses the chance to exert influence in a potentially unstable regional scenario. On the part of the CAN, it should recognize that integration must be strengthened and that it must continue acting as a group. In this connection, the EU could take a more proactive position, supporting the efforts of the CAN bodies to preserve the integrity of the Andean institutions and rules.

The idea that the agreements with the EU are different in their design and contents to those proposed by the US is not widely accepted. These agreements are viewed as a desirable diversification option for overseas economic relations, since they would provide more autonomy to the signatory countries. However, they are similar to those promoted by the US as regards free trade, as the so-called "NAFTA parity" has been actively sought for in the case of Mexico. This perception is reinforced by the fact that the democratic clause is considered to be a "risk insurance" that would only be activated in the event of a severe involution, and still more by the fact that **in the case of Mexico the trade components of the agreement have barely been developed**. Chile, as we will see, is an interesting alternative model.

The Association agreements: beyond free trade

These agreements are problematic as regards the link between trade, development and social cohesion, which is a crucial issue in the current discussion about economic policy and development in Latin America and which is by no means an automatic link. It is true that the WTO multilateral regulations do not allow too much scope for deviation from the basic design, but there are many stakeholders who point out that **these types of agreements should be preceded by *ex ante* impact studies analysing such linkage among trade, employment and reduction of poverty. It also seems necessary to assess their consequences *ex post***. These analyses could be carried out jointly in order to ensure the ownership of both parties, and its usefulness as a learning tool for the ulterior policy-making and the design of co-operation programs. **For the Agreement with Mexico in force for five years this kind of assessment has not been conducted, and very little is known about its economic and social impact**. Aggregated figures show a significant increase in trade and investment, although those figures are not reliable. What can be affirmed is that the participation of small and medium-sized enterprises (SMEs) is low, and it is only large corporations that are taking advantage of the economic opportunities afforded by the Agreement. This seems to be due to the weakness of the SMEs sector, the orientation of the SMEs towards the home market and the US market, the lack of support policies, and a general lack of knowledge of the Agreement.

The links between trade and the environment are not appropriately dealt with in the agreements either. This issue should be contemplated in the sustainability studies and lead to a cooperation policy in the environmental field in parallel to the agreement, or even to a "side agreement" on this subject that is compatible with the environmental goals contemplated in the multilateral agenda and in the Millennium Development Goals.

The negotiation of association agreements with Central American and Andean countries poses extremely difficult problems regarding the treatment of asymmetries and their impact on social cohesion, given the lower level of development of these countries. If these agreements are signed and the preferential treatment provided by the GSP-plus (that will come into force in 2006) is superseded, it will be necessary to contemplate mechanisms to ensure that the agreements remain subject to compliance with the conditions on workers' and social rights, governance, and the environment. A "parallel agreement" formula might serve this purpose.

The Association Agreement with Chile suggests, however, that association agreements hold a large potential when there exist other interests in addition to economic liberalization. The trade dimension can be complemented with cooperation actions aimed to a larger extent at institutional strengthening (quality of the institutions and the regulatory frameworks), production-restructuring policies, treatment of asymmetries, and improvement of public policies in areas such as science and technology and higher education. **In this connection, the EU-Chile Agreement contrasts with the one signed with Mexico and marks routes to be followed**. This agreement has been supplemented with actions in such areas, including an agreement on science and technology, and support actions for SMEs and social dialogue, while other aspects are under study. This responds also to the demands posed by the countries with a relatively higher level of development in the region that call for cooperation actions better suited to their respective realities. **Also this case calls into question the activity of the EC and the services of the Commission. In fact, the implementation of the agreements only involves the General-Directorates for Trade and Foreign Relations and Europeaid, with a much reduced participation of other General-Directorates with competence over areas such as the Environment, Research, Competition, Culture, or Social Issues.**

A reflection about the mechanisms for dialogue

Over the last decades, the European Union has developed a number of quite sophisticated instruments for foreign action. Among them, the mechanisms for establishing regular dialogue with third countries stand out. **These mechanisms are very important since they enable agreements to be reached with third parties within a framework that is minimally institutionalised**. That is, they provide minimum rules for what otherwise could become unstable relationships. Since the meetings that form the visible part of these mechanisms are regularly held, the parties are forced to work on common agendas and plan concrete activities. However they also run the risk of becoming a straitjacket by being too bureaucratic and stifling dynamism and creativity.

It is not easy to make a fair assessment of the mechanisms for dialogue between the EU and Latin America, although **the dominant perception in both regions is that the current model** – comprised mainly of Summits, and above all the various ministerial meetings (EU-Rio Group, EU-Mercosur, EU-Chile, San José Dialogue), inter-Parliament conferences, and dialogue with civil society and other stakeholders such as enterprises and regional and local governments – **shows signs of being exhausted**. More specifically, it is perceived that there is an excess of rhetoric over contents, that

the agreements reached so far are not appropriately monitored and followed-up, that in some cases dialogue frameworks overlap and duplicate, and in other cases there are not appropriate dialogue frameworks. For example, for the relations between the EU and certain countries such as Colombia, it is necessary to resort to the classical bilateral diplomatic channels, or to ad hoc donors' forums to establish a dialogue on the peace process, since, for several reasons; this issue is not discussed in the sub-regional forum or in the Summits process.

The problem should not be dramatised, since in a way it is a foreseeable situation for a mature relationship. As already noted, **the respective agendas and realities of both parties have changed; their leaders are different, and for a strong leap forward to be seen in the relations, mechanisms for dialogue must also be adapted.**

Based on the findings of this research, **four major challenges** have been identified, namely:

a. Improving consistency across the different types and levels of dialogue. Maybe one of the most serious problems is the accumulation of multiple forums for dialogue that overlap and are frequently duplicated. In the recent bi-regional ministerial meeting, six separate political dialogues took place, some of which barely took a couple of hours. Formally, it was necessary to do so, and obviously this makes sense in terms of efficiency – since it is the least complicated way to deal with this need – but it does not seem to be a really effective way of maintaining a far-reaching and stable dialogue, or to boost the relationship.

b. Achieving a higher degree of institutionalisation in bi-regional cooperation. Each of the dialogue forums has become minimally institutionalised (regular meetings), but they lack strong monitoring and follow-up arrangements. The Bi-Regional Group for the Summits is activated mainly for preparing the meetings, but it has not realised its potential for monitoring, following up and streamlining the relations. In the other forums, the situation is similar.

c. Increased involvement of Member States. Another significant fact about the ministerial meeting of May 2005 was the limited participation of European ministers. This reflects a certain lack of regard on the part of many Member States, which sends a message of lack of interest to their Latin American partners. This behaviour may be due to the proliferation of this kind of meetings and to tight schedules, although a more significant reason is probably the perception that these meetings are of little practical use. This seems to be the result of the excessive rigidity of the format and the emphasis on declaration to the detriment of action.

d. More systematic involvement of social stakeholders. Generally speaking, because of their formal nature, civil society organisations, enterprises, and other social stakeholders have only a sporadic and limited participation in the bi-regional dialogue. Although the use of meetings/consultations has increased, they are still separated from official processes, and for this reason their usefulness as regards the taking of far-reaching decisions is questionable, albeit they at least allow for a certain measure of contact among disparate spheres. It would be desirable, in terms of legitimacy and efficacy, to increase the involvement of these stakeholders in the future.

Proposals for improving the mechanisms for dialogue

A first group of recommendations has to do with the Summits, which form the top-level bi-regional dialogue. **They are essential for a high-profile relationship,** but if the current trend is not corrected, they can well become a burden to the whole system.

A proposal regarding this subject is to create a more structured mechanism for monitoring and implementing the agreements during the inter-summit periods. For this purpose, **a Pro-Tempore Secretariat could be established**, formed by the organisers of the immediately preceding and the following Summits, as well as the European Commission and the sub-regional organization of the host country. Such a body would only mean a higher degree of institutionalisation than the current one, but this would be an important step towards the construction of a "bi-regionality". The experience of the Ibero-American Summits may provide useful lessons, since they have been using a system of this kind for 15 years. Obviously, there have been some problems, but the mechanism operates on rules mutually agreed upon, and therefore all countries take a responsible stance and this has proven to be a suitable and low-cost arrangement to ensure the continuity of the process.

To ensure monitoring and follow-up, the possibility of intensifying and **systematising the coordination between the Latin American Ambassadors Group (GRULA) in Brussels and several Community and European Union bodies** might be explored. To such end, the GRULA should improve its own internal mechanisms for agreement on positions, but such mechanism would provide a strong incentive for this purpose.

The two preceding proposals may help to **give more weight to traditional diplomacy** and reduce the importance of the presidential diplomacy that dominates the Summits and has not proven to be as effective as expected. Although the Summits diplomacy should not be undervalued, a return to classic diplomacy is advisable in order to improve effectiveness, flexibility, and political continuity.

Another idea linked to the Summits concerns the "recovery" – or reinforcement, if they still exist – of the **bi-regional meetings of cooperation heads** begun on 2002. This intermediate level of contact might be a way to make the dialogue operational and also build it from below. Without creating added bureaucracy, such a structure **should be provided with suitable instruments** not only to facilitate joint programmes and actions, but also to share means and capabilities, both to make diagnostics and to assess results. This mechanism might also facilitate multilateral coordination of donors.

Beyond the Summits, we propose to **promote some sector dialogue**. This kind of dialogue allows opening up new areas for cooperation based on internal Community policies potentially applicable to Latin American challenges, particularly by means of the transfer of knowledge. For example, a bi-regional dialogue on trans-border cooperation could stimulate relevant processes for Latin American integration.

An additional **proposal that goes beyond summits is to enhance or to establish sector dialogues about security issues, migration, illicit drugs and other matters of common interest**. In the regional sphere, issues such as the environment, peace and

security, and conflict prevention demands specialized fora for consensus building and involving all kind of stakeholders. Building upon the experience of the specialized dialogue about drugs, which involves the EU and Andean countries, it could be possible to develop a birregional dialogue about these matters. This dialogue could be useful as a device for combating illicit drugs, and it would be also an instrument for regional policy-making. These dialogues could be also appropriate on a bilateral basis. For instance, in the framework of the EU-Chile Association Agreement, a number of meetings have been carried out focused on fields of interest for the Chilean side.

This report also proposes setting up, on a regular basis, a **ministerial dialogue about migration**. Such a dialogue could involve high-level government officials, and non-governmental stakeholders, like NGOs and private financial institutions, in designing a bi-regional strategy on this issue. The strategy would advance the agreements about immigration in areas of national jurisdiction o the EU countries; and will allow analysing policies such as the migration agreements adopted by Spain and Colombia, Ecuador or Dominican Republic and the findings than can be learnt for a eventual EU policy on this matter. The dialogue also could contribute to common positions in the trafficking of persons and illicit migration, and policy-making based in a legal offer of immigration. This dialogue also could dealt with the issue of migrant remittances and how to encourage his productive use, in co-operation with regional bodies that has examined this issue, like the IADB, the Multilateral Investment Fund (MIF/FOMIN), and the European banks with Latin American affiliates that can facilitate the sending of remittances.

The situation of the Andean region demands a reactivation of the ministerial dialogue with this group, widening the agenda from the usual drugs issues to democratic governance concerns. This dialogue must be **backed by a special Andean program for democratic governance**, with additional funds to support the forums for national political dialogue and conciliation, to support civic and human rights groups, to provide electoral assistance, and to develop other actions in this field.

Although the Parliaments were the first institutions from both regions to structure a bi-regional dialogue, **inter-Parliament conferences, which have certainly increased in number, seem to be less significant nowadays**. Their discussions do not transcend the parliamentary sphere, and yet this seems to be the only political space providing a vision and proposals that are frequently innovative, such as the Bi-Regional Solidarity Fund, which has not yet been studied nor analysed in detail, nor seriously discussed by the Council or the Commission. In any case, an essential requirement with a view to legitimising the European-Latin American process would be **to promote inter-Parliament dialogue and link it more closely to official forums.**

In this regard, some people are suggesting **the possibility of creating a European-Latin American Inter Parliamentary Assembly**. It would fall to the European Parliament to establish it and such an assembly would give greater prominence to dialogue, although to achieve the same end, other people have suggested that **it might be preferable to provide a higher-profile, specific space within the Summits** for this purpose.

Bi-regional relations are far from being confined to governmental and legislative institutions. **Many other stakeholders have been helping to build relations for a long**

time, and they have the capabilities, the right and the desire to have a direct or indirect bearing on policy-making processes. It is a long list, but it should be noted that the people who have made the most progress with regard to formulating clear positions are development and human rights NGOs, trade unions, enterprises, local governments and universities. They form noteworthy groups of bodies representing the different interests that make up the relationship and **it is essential to open more institutionalised channels for them to be able to participate in the various inter-regional forums**, rather than being limited to parallel processes which have little contact with the authorities and scarce effective monitoring and follow-up, all of which reflect the low degree of official commitment.

In the process currently under way for the preparation of Country Strategy Papers, consultations with several stakeholders have taken place in all Latin American countries. This is a very positive step when compared to the activities carried out in the past with regard to social stakeholders. However, these are very limited spaces for participation and they should be extended. A possibility, in connection with these strategies, is **to organise consultations that support and help the** (mid-term and final) **monitoring and assessment of the achievements**. Thus, local stakeholders would feel more involved and the Commission may receive more useful inputs and feedback in order to improve its actions.

Regarding the role of enterprises, in general terms they have had a wider scope for dialogue with official institutions. However, so far large corporations have had greater prominence, and **it is advisable to promote spaces for a dialogue with small and medium-sized enterprises as well as cooperatives**. In general, these enterprises have enough own resources, although they need official support in order to organise higher-profile meetings. Therefore, the support of the Commission would not necessary entail a high economic cost.

E. Proposals for the IV Bi-regional Summit (Vienna, May 2006)

The IV Summit between Latin America and the Caribbean and the European Union could be a summit limited to confirming the fatigue detected in bi-regional relations, or it could be an opportunity to renew them. Either outcome depends on many factors. Some of these factors, to a certain extent, are beyond the control of the partners from both regions, like the Doha Round. Others depend on the advances made in the major milestones accomplished by these very relations, like the pending agreements and, in particular, the EU-Mercosur Agreement. However, **the outcome fundamentally depends on the political will of the governments and the regional institutions from both sides,** although the EU holds an even greater responsibility.

Without a doubt, **one of the indicators that has been most used to evaluate previous summits has been the existence – or lack thereof – of concrete results** regarding Association Agreements and community cooperation programmes. In this regard, what many look for are results in the economic sphere, like the Association Agreements signed with Mexico and Chile that are somehow linked to presidential conferences. While the Summits are not a forum for trade negotiation, it is true that there is a

"Summit-effect" that produces the political drive, or perhaps even its gathering may produce, the incentive needed to activate negotiations.

However, the Guadalajara Summit in 2004 was only able to announce a "new drive" towards negotiations with Mercosur – which up until now has not been completed – and a process of joint ex ante evaluation to determine if the necessary conditions exist to initiate negotiations with Central American and Andean countries. Despite the noteworthy results, they did not fulfil the expectations raised prior to the Summit. At present, there are even greater expectations regarding the possibility that one or both processes will experience concrete advances in Vienna. While they still might not conclude, it is important to have **a "road map" with as much detail as possible in order to complete the network of Association Agreements between the EU and Latin America.** Undoubtedly, this should be one of the meeting's priorities.

Vienna should be a time **to initiate the institutionalization process of the Summits through the creation of a pro tempore secretariat** or other mechanism aimed at guaranteeing greater continuity and effectiveness of the implementation of the agreements reached. Moreover, it would be a good opportunity **to renew the bi-regional group's cooperation responsibilities** and give it a more detailed mandate for coming years.

In this regard, the European, Latin American and Caribbean leaders present in the Austrian capital could also **jointly order an independent evaluation of the Summits and the agreed-upon priorities of action**, as five years will have passed since the first gathering in Rio de Janeiro. The only "evaluation" carried out by officials was presented at the Madrid Summit, but it was too favourable and not very profound, although there are other independent evaluations. **It would be a way to open up a broader space for reflection since the report could be the subject of various debates in both regions.**

With regard to the thematic approach of the bi-regional meeting of leaders, the methodological novelty of Guadalajara consisted in **organizing debates around three central themes** (multilateralism, regional integration and social cohesion) in more manageable working groups for heads of State and Government, and other participants. This work formula made it possible to have a more profound and dynamic discussion, which complemented the more formal process of preparing the final declaration (that begins before the Summit).

Even if a new topic is introduced, **it is advisable to maintain a line of continuity with the previous Summit in order to be able to further develop some bi-regional central issues**. It would seem that social cohesion and regional integration should be two of the key focal points, although in both cases concrete challenges will need to be specified. In fact, if there were a methodological leitmotiv for this meeting it should be something like: "few topics with emphasis on concrete and feasible actions" (this excludes the possibility of lengthy and not very coherent declarations). If the goal is to hold a truly useful forum, then the temptation to talk about everything must be resisted.

With regard to social cohesion, an attractive sub-topic could focus on the concept of social pacts. In Latin America, one of the main obstacles to strengthening social cohesion has been the lack of institutions, mechanisms, experience and even the lack of political will to build social pacts needed to sustain far-reaching State reforms.

Therefore it would be very useful to dedicate space to debate this issue and reach some concrete proposals for action. The European Union can provide its own experience as an element of inspiration (but not to "export it", rather to share it), and there are also initiatives in various Latin American countries whose lessons may be useful for everyone.

In terms of regional integration, up until now **bi-regional dialogue has centered on issues related to trade liberalization within the schemes, as well as institutional aspects.** Undoubtedly, these are key elements; however, in Latin America other equally important aspects are being debated more and more. In fact, some believe that by dedicating so much attention to trade integration, other fundamental dimensions of integration have been avoided like cross-border cooperation and the construction of energy networks, labor integration and infrastructures.

Therefore, it would be of great interest to focus the debate on physical integration, which is clearly lacking in the region. Aside from the issue's intrinsic value, it would be a way to open new paths for bi-regional collaboration insofar as involving new actors, like regional banks (as mentioned before, the Commission's services that up until now have not had a relevant role in these relations should be involved). On the other hand, this issue has the power to cross the borders of current regional groups, since many of the projects like IIRSA and Plan Puebla Panama involve member countries of various groups.

If a third central topic is to be introduced, a burning issue in the world is security; however, in this Euro-Latin American forum, it can be addressed in a multi-dimensional manner and focused on matters of mutual interest. As valid as they may be, these kinds of Summits would not contribute much added value to issues like the battle against international terrorism or nuclear arms proliferation. Nevertheless, they can indeed make significant contributions to issues like the fight against the proliferation of small arms; democratic security doctrines; the role of the United Nations and regional organizations in international peace and security and conflict prevention; the performance of the Peacebuilding Commission of the United Nations; participation in peace operations; and post-conflict reconstruction. The harmonizing of positions in the framework of the United Nations, as was already demonstrated at the Guadalajara Summit in regard to Iraq, can help to define the West's views and policies towards the international peace and security agenda. It could also facilitate a rapprochement between positions on issues in which there are significant differences, like the use of force and the "responsibility to protect", or action towards "failed states". Both regions confront important security challenges, which make the establishment of high-level dialogue all the more relevant.

For the EU, this topic has strategic relevance since it deals with an element that is missing in presence in Latin America. Maintaining dialogue with the EU allows this region to open alternative channels of discussion on an issue that has been dominated up until now by North American views. Perhaps an initial, medium-term objective for this dialogue could be to explore the possibility of signing a **Euro-Latin American Charter on Peace and Security**, an idea that has been promoted by the European Parliament, among other institutions. At the short-term, a dimension in which **both regions share views is the necessary balance between security and freedom**.

Beyond the content itself, **it would be ideal to structure the agenda in such a way that obliged each working group on the central issues to end with one or two specific ideas for joint activities**. In Guadalajara this part of the exercise was missing, which is what makes it possible establish concrete goals and timeframes and the beginning of talks on each party's commitments. The pro tempore secretariat's role would be to monitor these commitments.

The Vienna Summit could also be an opportunity to **explore innovative measures to foster the participation of social actors**. Up until now, a traditional format has been followed that involves supporting initiatives from different sectors, but that keeps them separate (in time and space) from the Summit. This format is better than nothing, but perhaps something that was done in an ad hoc way at Guadalajara could be done in Vienna: inviting a limited number of representatives from different sectors to a meeting with the bi-regional leaders as part of the official agenda.

Lastly, it should not be forgotten that this Summit will mark the first holding of an inter-regional meeting, of this level, in a non-Latin country (that is, one that is neither Latin American nor has strong historic ties to the region). This fact should serve to define the central objective of this gathering, which is to **bring non-Latin actors, and especially the new member states from Central and Eastern Europe, closer to the Euro-Latin American project.**

To reach this end, **special meetings between Latin American leaders and the EU's new members could be promoted**. Furthermore, since many of these countries are close to Austria, it would be relatively easy and quite useful to organize visits of high-ranking officials from Latin America to this new part of the Union. This could be especially important due to the limited presence of Latin American embassies in this part of Europe[32] and to these countries' limited presence in Latin America (several new member states have recently even closed their diplomatic legations in Latin America). Moreover, in general, public opinion in this part of Europe does not hold a very favorable opinion of Latin America, [33] even though there is some interest for cultural aspects, which is why the presence there of Latin American leaders could contribute to improving awareness of the region and, in doing so, its image. This effort could be complemented with meetings between other actors too.[34]

In short, the Vienna Summit could be an important event in biregional relations, but the next high-level meeting in Peru in a few years time is already showing on the horizon.

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[32] For example, the Cuban Embassy is the only embassy present in Slovakia. Some Latin American countries have ambassadors in Vienna that "cover" neighboring countries.

[33] See, for example, a survey done by Eurobarometer on the attitudes of European citizens regarding development aid, which discovered that those who least supported the idea that the EU should contribute to Latin American development are citizens from new member states. (See: *Attitudes towards Development Aid* (February 2005): http://www.europa.eu.int/comm/public_opinion/archives/ebs/ebs_222_en.pdf). In addition, several of those surveyed recently expressed some concern about the possible "Latin Americanization" of their countries, thereby reflecting profound trends in these societies with regard to this region.

[34] To this end, the efforts of the Austrian Latin America Institute, through its REAL 2006 program (Europe-Latin America Relations 2006), must be recognized. This institute has organized various workshops and seminars, including one held in Bratislava in June 2005, which – among other objectives – encouraged a rapprochement between new EU partners and Latin America (see: http://www.real2006.net/). The program will end with a seminar and its most significant result will be a document of recommendations for the Vienna Summit.

The outcome of the IV Summit will be evaluated in Peru and it will be seen up to what point it succeeded in breathing new life into Euro-Latin American relations.

Appendices

Appendix 1: Key documents of the EC's regional strategy for Latin America, 1996-2004 (summary)

Political goals	Economic goals	Social goals	Goals concerned with managing North-South interdependences	Strategies of implementation and cross - cutting elements	Other issues
The European Union and Latin America: the present situation and prospects for closer partnership 1996-2000. COM (95) 495, October 23rd, 1995					
Shared commitment with democracy, the rule of law, "good government", institution building, and better sector policies (health, education…)	Support to economic reforms and international competitiveness. Support to private sector. Co-operation in science and technology. Investment promotion (ECIP and AL-Invest). Trade promotion and support to "true integration" (free trade plus social cohesion)	Combating poverty and social exclusion following the priorities of the Copenhagen's Social Summit. Labour rights.	- Environment: integration of environmental issues in all the activities. At least 10% for environmental protection projects. - Renewable energy and energy demand management (ALURE) - Fight against illicit drugs.	- Education and training - Support to regional co-operation and integration - Improving management: participation of recipients, coordination with member states, support to decentralized co-operation, concentration in horizontal multi-year programmes - Differential approaches towards countries and sub-regions, in order to answer to the heterogeneity of Latin America	It's the Commission response to the strategy drafted in the European Council of Luxemburg in 1994 The Communication set up the regional strategy for the five-year period 1995-1999, and the multi-year indicative budget for Latin America, with 1.343 MECUS.
A New European Union-Latin America partnership on the eve of the 21st century, COM (99) 105, March 9th, 1999					
Establishing a "Strategic Partnership" to coordinate positions in international forums, in peace and security issues, fight against illicit activities, and democracy promotion. Priority sector for co-operation: consolidation of democracy, rule of law, human rights promotion,	- Strengthening of economic and trade co-operation - Development of markets and regional integration, through common or coordinated policies (competence) - Stabilization of financial flows and incentives for sustainable investments e Priority sector for co-operation: support for regional integration and industrial co-operation.	Priority sectors for co-operation: - Fight against poverty and social exclusion, linking economic and social progress. - Education and Training thought fostering prominent centres that supports leader sectors and technology transfer. - Decentralized cooperation in the fields of culture and artistic legacy.		- Concentration in specific sectors. - Differential approach to countries-sub regions. - Concentration of funds in less developed countries - From a demand-driven based programming, to a policy-dialogue based programming - Strategy papers with multi-year indicative budget	Communication to prepare the 1st Summit of Heads of State and Government EU-LAC, Rio de Janeiro, June 1999.
Follow-up to the first summit between Latin America, the Caribbean and the European Union, COM (2000), 670, October 31st, 2000					
- Promoting and protecting Human Rights: intensifying support to human rights organizations and	Strengthening dialogue and co-operation with Latin America about the Round of negotiations in the WTO	Fight against poverty and support to the most vulnerable groups (In conformity with the Communication COM	Disasters prevention through sub regional strategies in Andean and central American countries	Following the 11 "Tuusula priorities", three regional priorities are selected: (human rights, information society,	The Communication expressly assumes the priorities established in the COM (99) 105, as both as the priorities

ombudsmen. - Support for democratic systems - Promotion and protection of social and economic rights. Specific proposal: to set up an EU-LAC reflection forum about human rights	Specific proposal to foster the "Information Society" (ALIS programme) Measures to support integration in the sub regional level: financial stability for Mercosur-Chile; "post GSP" market access for Andean Community; implementing EU-Mexico partnership agreement; regional integration with Central America	(2000) 212 about development policy) Specific proposal: "Social initiative" for Latin America and the Caribbean		and reduction of regional unbalances). Other priorities will be deal with in the sub regional and bilateral strategies and dialogues. - Action principles: subsidiarity, balance among regional, sub regional and bilateral strategies, realism about goals and resources available for the Commission.	agreed in the summit, as specified in Tuusula, while the Commission competences are concerned. These priorities will give "added value, quick results, and visibility".
Latin America Regional Strategy Document, 2002-2006 Programming, AIDCO/0021/2002, April 2002					
General objective: backing up the Bi regional Strategic Partnership, facing up to regional challenges in the economic, technologic, social and environmental realms.		- Reinforcement of collaboration among civil society networks (AL-Invest, URBAL, ALFA, ALIS…), with 60%/70% of the budget of the regional indicative program. - Social Initiative, with 15%/20% of the budget of the regional indicative program.	- Priority sector: natural disasters prevention, and quick implementation of reconstruction actions, with 20% of the budget of the regional indicative program. - Network of institutions in charge of sustainable management of energy (between 10 and 20 MEUROS)	- Coherence among regional, sub regional and bilateral dimensions. - Concentration in four priority sectors: support to relations among civil society networks through decentralized co-operation. Social initiative; disasters prevention; and "complementary action": OREAL (1.5 MEUROS) - Coherence with other Community policies (trade, fisheries, drugs, environment) - Synergies with other donors - Visibility of regional co-operation	Regional Strategy Paper, (RSP), instead a "COM" document. Prepared for the 2nd EU-LAC Summit (Madrid, May 2002) - It defines the five-year indicative budget 2002-2006: 1.725 MEUROS, and 280 for regional activities.
Commission's objectives in the framework of the relations between the European Union and Latin America, in view of the 3rd Summit of Heads of State and Government of the European Union and Latin America and the Caribbean to be held in Guadalajara (Mexico) on 28 May 2004, COM (2004) 3220 final, April 7th, 2004					
Promoting democratic governance	- Strengthening of WTO in the framework of EU and LAC commitments with multilateralism. - Promoting regional	Promoting the EU-LAC co-operation for social cohesion, through the fight against poverty and inequality, strengthening of governmental		Integration objectives will be carried out in the sub regional level	Document in preparation of the 3rd summit of Guadalajara (Mexico), in which the Commission makes specific proposals for the decision-

	integration: "Integration deficit" as obstacle for EU-LAC relationship. - Promoting Partnership agreements with Central America and the Andean Community, providing that the trade talks of Doha will be finished, ad a "sufficient" level of integration will be achieved, in issues like a effective institutional framework, a customs union, and the suppression of non-tariff barriers.	finances, fostering social policies with redistributive effects.			making of the Heads of State and Government of EU and LAC countries. - It includes an "evaluation report" (SN 2346/4/02/REV 4, May 17th, 2002) reaffirming the validity of the 55 priorities adopted in Rio de Janeiro, and the 11 priorities selected in Tuusula.

Source: author's translation from Europeaid/Development Researchers Network (DRN) (2005), *Evaluación de la estrategia regional de la CE en América Latina. Informe de Síntesis*, Bruselas, Europeaid Evaluation Unit, (vol. 2, anexos.)

Appendix 2: Previous Studies for the Final Report

A list is included with all the previous studies commissioned for this report. It is also included the name and position of each main researcher (IP), who made the study. Each study was discussed between all the researchers on the final workshop in Brussels.

Latin America countries and regional studies:

- *Informe sobre México*. Carlos A. ROZO, Universidad Autónoma Metropolitana de Xochimilco (UNAM), Mexico.
- *Informe sobre Centroamérica*. José Antonio MORALES (IP) y Hugo LÓPEZ, Fundación Nacional para el Desarrollo (FUNDE), El Salvador
- *Informe sobre la Comunidad Andina*. Alan FAIRLIE (IP), con Sandra QUEIJA y Milagros RASMUSSEN, Pontificia Universidad Católica del Perú (PUCP) / Red Latinoamericana de Política Comercial (LATN).
- *Informe sobre Mercosur*. Rosa OSIMANI y Romeo PÉREZ (IPs), con Juan Andrés Daguerre, Virginia Rodríguez y María Noel Reyes. Centro de Investigaciones Económicas (CINVE) y Centro Latinoamericano de Economía Humana (CLAEH), Montevideo
- *Informe sobre Chile*. Gonzalo ARENAS, Centro Latinoamericano para las Relaciones con Europa (CELARE), Santiago de Chjle

EU studies:

- *Informe sobre las Instituciones Comunitarias*. Cecilia ALEMANY, Asociación Latinoamericana de Organizaciones de Promoción (ALOP), Brussels
- *Informe sobre el Reino Unido*. Jean GRUGEL y Henry KIPPIN, Sheffield University.
- *Informe sobre Francia*. Cecilia ALEMANY (IP) y Carlos QUENAN, Institut des Hautes Études de l´Amérique latine (IHEAL), Paris.
- *Informe sobre España*. Celestino DEL ARENAL. Facultad de Ciencias Políticas y Sociología, Universidad Complutense de Madrid e Instituto Complutense de Estudios Internacionales (ICEI).
- *España – Europa – América Latina: crónica de desencuentros*. Jose Antonio ALONSO, Instituto Complutense de Estudios Internacionales (ICEI).
- *Informe sobre los Países Bajos*. Klaus BODEMER (IP) y Klaas DYKMANN. Instituto de Estudios Iberoamericanos, Hamburg.
- *Informe sobre Alemania*. Klaus BODEMER. Instituto de Estudios Iberoamericanos, Hamburg.
- *Informe sobre Austria*. Klaus BODEMER. Instituto de Estudios Iberoamericanos, Hamburg.
- *Informe sobre Polonia*. Agata CZAPLINSKA y Jose Antonio SANAHUJA. Instituto Complutense de Estudios Internacionales (ICEI).
- *Informe sobre la República Checa*. Zuzana KAZDOVÁ y Jose Antonio SANAHUJA. Instituto Complutense de Estudios Internacionales (ICEI).

Horizontal studies:

- *La cooperación al desarrollo en las relaciones UE – América Latina*. Anna Ayuso. Fundación CIDOB and Universidad Autónoma de Barcelona (UAB).
- *La cooperación UE – América Latina y las drogas ilegales: tendencias, escenarios y nuevas iniciativas de diálogo y cooperación*. Amira ARMENTA, Martin JELSMA y Pauline METAAL. Transnational Institute (TNI), Amsterdam
- *Migración y medio ambiente en las relaciones Unión Europea – América Latina: tendencias, escenarios y nuevas iniciativas de diálogo y cooperación*. Érika RUÍZ SANDOVAL. Instituto Universitario de Estudios Europeos (IUEE), Universidad Autónoma de Barcelona (UAB).
- *Paz y seguridad regional e internacional en el diálogo político UE-América Latina*. Juan Pablo SORIANO. Instituto de Estudios de la Integración Europea (IEIE), Instituto Tecnológico Autónomo de México (ITAM).
- *Perspectivas y escenarios de las relaciones económicas entre la UE y América Latina*. Jordi BACCARIA. Universidad Autónoma de Barcelona (UAB).

Appendix 3: List of Interviews Made for the Study

Interviews in Latin America

Interviewee	Position	Country/Area	Researcher	Date
Dr. Mario Rodarte	CEESP	Mexico	Carlos Rozo	10/03/2005
Gabriel Gama	Institute Mora	Mexico	Carlos Rozo	15/03/2005
Ignacio Martínez	ANIERM	Mexico	Carlos Rozo	17/03/2005
Germano Strainiero,	European Commission Delegation	Mexico	Carlos Rozo	25/03/2005
Foeth,	Industry and Trade Mexico – Germany Office	Mexico	Carlos Rozo	14/04/2055
Rancel	Eurocentre, Bancomext	Mexico	Carlos Rozo	12/04/2005
Alejandro Villamar		Mexico	Carlos Rozo	14/04/2005
Porfirio Muñoz Ledo	Centro Latinoamericano de la Globalidad (CELAG)	Mexico	Carlos Rozo	18/04/2005
Gabriela Díaz	CELAG	Mexico	Carlos Rozo	18/04/2005
Evencio Fernández	CANACO	Mexico	Carlos Rozo	19/04/2005
Joost Martens	OXFAM	Mexico	Carlos Rozo	19/04/2005
Norma Pensado	Secretary of External Relations (SRE)	Mexico	Carlos Rozo	19/04/2005
Olga Pellicer	ITAM	Mexico	Carlos Rozo	19/04/2005
Gabriela Díaz	CELAG	Mexico	Carlos Rozo	18/04/2005
Jorge Calderón	PRD	Mexico	Carlos Rozo	20/04/2005
Ernesto Estrada,	Competence Commission	Mexico	Carlos Rozo	20/04/2005
Manuel Luna,	Secretary of Economy	Mexico	Carlos Rozo	21/04/2005
Gustavo Merino,	Secretary of Social Development (SEDESOL)	Mexico	Carlos Rozo	21/04/2005
María Gómez Mont en representación de Salvador de Lara,	Secretary of External Relations (SRE)	Mexico	Carlos Rozo	22/04/2005
Alicia Puyana,	FLACSO	Mexico	Carlos Rozo	22/04/2005
Víctor Manuel Prudencio Vallejo	EuroCentre Canacintra	Mexico	Carlos Rozo	22/04/2005
Lorena Ruano	CIDE	Mexico	Carlos Rozo	27/04/2005
Jaime Zabludovsky,	Independent consultant	Mexico	Carlos Rozo	27/04/2005
Marcos Gonzáles	Director of the Central American Commission of Environment and Development (CCAD), of the Central American Integration System (SICA)	Central America, El Salvador	José Antonio Morales	04/04/2005
Rafael Guido-	Consultant of the Social	Central	José Antonio	04/04/2005

Béjar	Integration Secretariat of Central America (SICA)	America, El Salvador	Morales	
Roberto Rodríguez	Regional Co-ordinator of Policy and Environmental Legislation. Central America Commission of Environment and Development (CCAD), Central American Integration System (SICA)	Central America, El Salvador	José Antonio Morales	04/04/2005
Ana Tomasino	Head of the Directorate for European Co-operation, Foreign Affair Ministry of El Salvador	Central America, El Salvador	José Antonio Morales	06/04/2005
Dagoberto Torres	Technical consultant of the Directorate for European Co-operation, Foreign Affairs Ministry of El Salvador	Central America, El Salvador	José Antonio Morales	06/04/2005
Héctor Dadá Sánchez	Co-ordinator of Programme to Support Central American Regional Integration (PAIRCA)	Central America, El Salvador	José Antonio Morales	06/04/2005
Amy Angel	Manager, Agricultural and Environmental Section. Department of Economy and Society, Foundation of Economic and Social Development of El Salvador. (FUSADES)	Central America, El Salvador	José Antonio Morales	07/04/2005
Nieves Álvarez	Main consultant, FORTALECE Programme, Ministry of Economy and Technical Co-operation of Germany (MINEC/GTZ)	Central America, El Salvador	José Antonio Morales	08/04/2005
Alain Rouche	Head, Regional Affairs Section and Nicaragua at the EU Delegation for Central America.	Central America, El Salvador	José Antonio Morales	09/04/2005
José Luis Martínez Roca	Chargé d'Affaires of the EU Delegation in Managua	Central America	José Antonio Morales	12/04/2005
José Arnoldo Sermeño Lima	Secretary for Social Integration, SICA	Central America, El Salvador	José Antonio Morales	16/04/2005
María Silvia Guillén	Executive Director of FESPAD	Central America, El Salvador	José Antonio Morales	16/04/2005
Fernando E. García R	Executive Director of CENPROMYPE	Central America, El Salvador	José Antonio Morales	16/04/2005

Roberto Jiménez	Ex delegate for El Salvador at the World Bank, IADB and OAS	Central America, El Salvador	José Antonio Morales	18/04/2005
Laurens M. Hoppenbrower	Emerging Markets consultant. Advisory Consultants (EMACON)	Central America, El Salvador	José Antonio Morales	18/04/2005
Astrid Moreno	Deputy Director of trade policy and delegate at the WTO.	Central America, El Salvador	José Antonio Morales	19/04/2005
Johanna Hill	Ministry of Economy, El Salvador	Central America, El Salvador	José Antonio Morales	19/04/2005
Roberto Rubio	Executive Director of FUNDE	Central America, El Salvador	José Antonio Morales	04/05/2005
Phillipe Dewez	Delegate for El Salvador at the IADB	Central America, El Salvador	José Antonio Morales	
Andrew Sander	Consultant responsible for the Conceptual Note for Costa Rica, EC	Central America, Costa Rica	José Antonio Morales	19/04/2005
Ricardo Sol	Ex president of SICA Consultant Board, present Director of civil society area at FUNPADEM.	Central America, Costa Rica	José Antonio Morales	22/04/2005
Arodys Robles	Technical Group of The State of the Nation Report (UNDP)	Central America, Costa Rica	José Antonio Morales	19/05/2005
Doris Osterlof Obregón	Consultant, Costa Rica Exporters Organisation (CADEXCO)	Central America, Costa Rica	José Antonio Morales	19/05/2005
Laura Rodríguez	Trade Ministry of Costa Rica	Central America, Costa Rica	José Antonio Morales	20/05/2005
Celio Álvarez	Executive Secretary of SICA Consultant Board.	Central America, Honduras	José Antonio Morales	22/04/2005
Mauricio Gómez,	Vice-Chancellor and Director of External Cooperation in Nicaragua	Central America, Nicaragua	José Antonio Morales	16/05/2005
Alfredo Cuadra García	President of the Main Board of the Private Enterprises Association of Nicaragua	Central America, Nicaragua	José Antonio Morales	16/05/2005
Vilma Núñez	President, Human Rights Centre of Nicaragua (CENIDH)	Central America, Nicaragua	José Antonio Morales	16/05/2005
Carlos Benabente	Delegate of the Civil Coordinator	Central America, Nicaragua	José Antonio Morales	17/05/2005
Adolfo Cáceres	Expert and member of the	Central	José Antonio	17/05/2005

	Civil Coordinator	America, Nicaragua	Morales	
Adolfo Acevedo	Researcher and member of the Civil coordinator of Nicaragua	Central America, Nicaragua	José Antonio Morales	
Alex Segovia	Executive Director of Democracy and Development	Central America, Guatemala	José Antonio Morales	01/06/2005
Gonzalo Gutiérrez	Deputy Secretary of International Economic Relations, Ministry of Foreign Affairs	Peru	Alan Fairlie	26/04/2005
Victoria Elmore	National Director of Bilateral Affairs and International Trade Negotiations. International Trade and Tourism Ministry	Peru	Alan Fairlie	27/04/2005
Juan Carlos Mathews	National Director of the International Trade Development, International Trade and Tourism Ministry	Peru	Alan Fairlie	28/04/2005
Carlos Gonzales	General Manager, Exporters Association (ADEX)	Peru	Alan Fairlie	29/04/2005
Ignacio Basombrío	President of the Peruvian Centre of International Studies (CEPEI)	Peru	Alan Fairlie	09/05/2005
Farid Kahhat	Professor, Political Sciences Department, PUCP	Peru	Alan Fairlie	11/04/2005
Mariano Valderrama	Senior Consultant, Netherlands Foundation of development co-operation	Peru	Alan Fairlie	14/06/2005
Carlos Abad	Ministry of Foreign Affairs	Ecuador	Alan Fairlie	22/03/2005
Fabián Andrade	Industry, Trade, Integration and Fisheries Ministry	Ecuador	Alan Fairlie	22/03/2005
Cristina Espinosa	Main negotiator for Ecuadorian delegation to FTAA talks with USA	Ecuador	Alan Fairlie	22/03/2005
Rubén Flores	Negotiator and consultant of the entrepreneurs groups at the FTAA talks. Professor of economics, Universidad Andina Simón Bolívar (UASB)	Ecuador	Alan Fairlie	22/03/2005
Rodrigo Lasso	Ex-negotiator of the FTAA and Director, Asociación de Ganaderos de la Sierra y Oriente	Ecuador	Alan Fairlie	23/03/2005
Alberto Acosta	Professor, Universidad Andina Simón Bolívar.	Ecuador	Alan Fairlie	23/03/2005

	Editor and researcher, Latin America Institute of Social Research (ILDIS)			
Luis Luna Osorio	Academic Consultant of the Industrial Organisation of Pichincha	Ecuador	Alan Fairlie	23/03/2005
Marco Romero	Professor, Universidad Andina Simón Bolívar (UASB)	Ecuador	Alan Fairlie	23/03/2005
Wolf Grabendorff	Delegate of FESCOL	Colombia	Alan Fairlie	13/04/2005
Eduardo Pastrana	Professor at Javeriana University	Colombia	Alan Fairlie	13/04/2005
Leonardo Villar	Co-Director Republic Bank	Colombia	Alan Fairlie	13/04/2005
Andrés Ramírez	Technical director of the National Gremial Board	Colombia	Alan Fairlie	13/04/2005
Carlos Arias	Unit Centre of workers (CUT)	Colombia	Alan Fairlie	14/04/2005
Mauricio Cárdenas	Fedesarrollo	Colombia	Alan Fairlie	14/04/2005
Sergio Jaramillo	Executive director of the Fundación Ideas para la Paz	Colombia	Alan Fairlie	14/04/2005
Ricardo Correa	ADNI	Colombia	Alan Fairlie	14/04/2005
Camilo Reyes	Vice ministry of Foreign Affairs, Ministry of Foreign Affairs	Colombia	Alan Fairlie	14/04/2005
Katarina Steinwatchs	Executive president of the Trade and Industry Colombo - German Organisation	Colombia	Alan Fairlie	14/04/2005
César Ferrari	Director of the Economic Master, Pontificia Universidad Javeriana	Colombia	Alan Fairlie	14/04/2005
José Antonio García Belaunde	Secretary of the Andean Board of Foreign Affairs Ministries, Andean Community General Secretariat	Peru, CAN	Alan Fairlie	27/04/2005
Antonio Araníbar Quiroga	Director, Andean Community General Secretariat	Bolivia	Alan Fairlie	27/04/2005
Saul Pineda	Consultant of the Andean Community General Secretariat	Peru, CAN	Alan Fairlie	11/05/2005
Gladis Genua	Head of programmes, Andean Community General Secretariat	Peru, CAN	Alan Fairlie	09/06/2005
Juan Francisco Mejía Betancourt	Executive President of Conindustria	Venezuela	Alan Fairlie	12/07/2005

Luis Xavier Grisanti	Executive President of the Asociación Venezolana de Hidrocarburos (AVHI)	Venezuela	Alan Fairlie	12/07/2005
Félix Arellano	Researcher. Professor of international department in the political science department, Universidad Central de Venezuela. Columnist in the newspaper *Últimas Noticias*	Venezuela	Alan Fairlie	12/07/2005
Mariángela Lando Biord	International editor in the newspaper *El Universal* de Caracas	Venezuela	Alan Fairlie	13/07/2005
Francisco Monaldi	Professor and Co-ordinator of the Centre of energy and environmental Studies, Institute of High Studies on Administration (IESA)	Venezuela	Alan Fairlie	14/07/2005
Mari Pili Hernández	Vice ministry of North America Foreign Affairs	Venezuela	Alan Fairlie	14/07/2005
Jorge Arreaza	International studies scholar. Professor de la UCV	Venezuela	Alan Fairlie	14/07/2005
Omar Chirinos	Co-ordinator of Foreign Affairs, Labour Ministry	Venezuela	Alan Fairlie	14/07/2005
Antonio Romero	SELA Secretariat	Venezuela	Alan Fairlie	14/07/2005
Franklin Molina	Professor at the International Studies School, faculty of Economics, UCV	Venezuela	Alan Fairlie	15/07/2005
Humberto García	Professor and ex- director of School of Economics, UCV	Venezuela	Alan Fairlie	15/07/2005
Juan Antonio Morales	President of the Central Reserve Bank	Bolivia	Alan Fairlie	11/07/2005
Giovanna Soria	Consultant. Ex civil servant at the Economic Development Ministry	Bolivia	Alan Fairlie	07/07/2005
Horst Grebe	Executive Director, Prisma Institute. Ex-minister of economic development	Bolivia	Alan Fairlie	11/07/2005
William Torres Armas	Director of UDAPEX – Ministry of Foreign Affairs	Bolivia	Alan Fairlie	12/07/2005
Gabriel Loza Tellería	Executive Director of UDAPE (Unidad de Análisis de Políticas Sociales y Económicas)	Bolivia	Alan Fairlie	12/07/2005
Carlos Villegas	Economic analyst and director of CIDES (Centro de Investigación para el Desarrollo)	Bolivia	Alan Fairlie	13/07/2005
Emb. Alberto Zelada Castedo	Director of the Master on Economic Law, Universidad	Bolivia	Alan Fairlie	13/07/2005

	Andina Simón Bolívar. Ex Minister of Foreign Affairs and Worship			
Isaac Maidana Quisbert	Vice minister of Foreign Affairs and International Trade	Bolivia	Alan Fairlie	13/07/2005
José Montaño	Businessman, Exportar SRL. Ex- civil servant International Trade and Investment Ministry	Bolivia	Alan Fairlie	13/07/2005
Diana Acconcia	Delegate of the Paraguay and Uruguay EU Delegation	Uruguay	Rosa Osimani y Romeo Pérez	13/04/2005
Didier Opertti	General Secretary of the Latin American Integration Association (ALADI)	Argentina	Rosa Osimani y Romeo Pérez	14/04/02005
Sergio Abreu	Senator, Partido Nacional	Uruguay	Rosa Osimani y Romeo Pérez	19/04/2005
Oscar Stark	Technical Consultant of the Mercosur Secretary	Uruguay	Rosa Osimani y Romeo Pérez	20/04/2005
José María Peña	Director of the National Trade and Services Organisation of Paraguay	Paraguay	Rosa Osimani y Romeo Pérez	21/04/2005
Álvaro Padrón	Head, Friedrich Ebert Stiftung Uruguay (FESUR)	Uruguay	Rosa Osimani y Romeo Pérez	27/04/2005
Alejandro Perotti	Technical and juridical consultant, Mercosur Secretariat	Argentina	Rosa Osimani y Romeo Pérez	29/04/2005
Deisy Ventura	Technical and juridical consultant, Mercosur Secretariat	Brasil	Rosa Osimani y Romeo Pérez	29/04/2005
Ricardo Harstein y Marcelo Lucco	Minister and Secretary of the Argentina Delegation for Mercosur and ALADI	Uruguay	Rosa Osimani y Romeo Pérez	29/04/2005
Daniel Betancur	General manager of CUDECOOP and technical secretary of the Special Meeting of Mercosur co-operatives	Uruguay	Rosa Osimani y Romeo Pérez	4/05/2005
Alberto Couriel	Senator of Encuentro Progresista-Frente Amplio-Nueva Mayoría	Uruguay	Rosa Osimani y Romeo Pérez	5/05/2005
Javier Silva	Technical Secretary of the Co-ordinator of Centrales Sindicales del Cono Sur (CCSCS)	Uruguay	Rosa Osimani y Romeo Pérez	6/05/2005
Inés Terra	Professor at Social Science Faculty, Universidad de la República	Uruguay	Rosa Osimani y Romeo Pérez	2/05/2005
Juan José Taccone	Director of the permanent mission at IADB	Uruguay	Rosa Osimani y Romeo Pérez	9/05/2005

Rubén Ramírez	Vice minister of Foreign Affairs of Paraguay	Paraguay	Rosa Osimani y Romeo Pérez	
Darío Sarachaga y Álvaro Ons	Head and civil servant of the Trade Policy Counsellors, Economy Ministry	Uruguay	Rosa Osimani y Romeo Pérez	12/05/2005
Jorge Carpio	Director of the NGO *Foco*	Argentina	Rosa Osimani y Romeo Pérez	24/05/2005
Enrique Mansilla	President of the Chamber of Exporters of the Argentina Republic (CERA)	Argentina	Rosa Osimani y Romeo Pérez	24/05/2005
Daniela Tramacere	Civil servant of the EU's Argentinean Delegation	Argentina	Rosa Osimani y Romeo Pérez	24/05/2005
Henri Kistler	Consultant of International Foreign Affairs, Treasury Ministry	Brasil	Rosa Osimani y Romeo Pérez	10/06/2005
Erivaldo Gomes	Co-ordinator of commercial integration, International Affairs Secretary, Treasury Ministry	Brasil	Rosa Osimani y Romeo Pérez	10/06/2005
Cesar Buenamigo	Ministry of Foreign Affairs	Brasil	Rosa Osimani y Romeo Pérez	10/06/2005
Gilberto Larcher	International Trade expert, Development, Industry and International Trade Ministry	Brasil	Rosa Osimani y Romeo Pérez	10/06/2005
Roberto Bouzas	Consultant	Brasil	Rosa Osimani y Romeo Pérez	15/06/2005
Carlos Amorim	Ministry of Foreign Affairs	Brasil	Rosa Osimani y Romeo Pérez	11/06/2005
Hamilton Alianga	Ex Attaché for Cooperation, EU Delegation in Chile	Chile	Gonzalo Arenas	03/03/2005
José Aravena	Executive Director Fundación Empresarial Europa – Chile	Chile	Gonzalo Arenas	8/03/2005
José Luis Balmaceda	Director for Europe – Ministry of Foreign Affairs	Chile	Gonzalo Arenas	8/03/2005
Héctor Casanueva	Ex Ambassador of Chile at the ALADI and Mercosur	Chile	Gonzalo Arenas	8/03/2005
Mariano Fernández Amunategui	Chilean Ambassador to the United Kingdom	Chile	Gonzalo Arenas	15/03/2005
Angel Maulen	Entrepreneur and President of the Fundación Empresarial Europa	Chile	Gonzalo Arenas	15/03/2005
Diego Olivares	President of the Central Sindical UNT. Responsible for International Affairs at the Central Unitaria de Trabajadores	Chile	Gonzalo Arenas	17/03/2005
Edgardo Riveros M.	Deputy Ex–President, Foreign Affairs Commission	Chile	Gonzalo Arenas	7/04/2005

	of Parliament			
Marcelo Rozas López	Director of the International Co-operation Agency (AGCI)	Chile	Gonzalo Arenas	7/04/2005
Jorge Salas	General Consul of Luxembourg in Chile	Chile	Gonzalo Arenas	11/04/2005
Rodrigo Vegas A.	Director of the Centro Latinoamericano para las Relaciones con Europa (CELARE)	Chile	Gonzalo Arenas	11/04/2005
Iris Vittini	Professor, International Studies Centre– University of Chile	Chile	Gonzalo Arenas	11/04/2005

Interviews in Europe

Ricardo Herrera	Responsible of co-operation in Chilean Embassy to EU	EU	Cecilia Alemany	
Alberto van Klaveren	Chile Ambassador to EU	EU	Cecilia Alemany	02/03/2005
Elbio Rosselli	Uruguayan Ambassador to EU	EU	Cecilia Alemany	28/02/2005
Jorge Remes Lesnicov	Argentine Ambassador to EU	EU	Cecilia Alemany	
Darío Mengucci	Co-operation Counsellor, Argentinean Embassy to EU	EU	Cecilia Alemany	2/03/2005
José Alfredo Graça Lima	Brazilian Ambassador to EU	EU	Cecilia Alemany y C. Freres	8/04/2005
Lourdes Dieck	Mexican Ambassador to EU, Belgium and Luxembourg	EU, Belgium	Cecilia Alemany y C. Freres	18/04/2005
Raimon Obiols	President of the Central America and Mexico Delegation at the EP	EU	Cecilia Alemany	
Juan López Herrera	Attaché of the Spanish Embassy at EU	EU	Christian Freres	03/02/2005
Sean Doyle	DG Relex	EU	Christian Freres	20/04/2005
Guiliano Menato	DG Trade	EU	Christian Freres	20/04/2005
Patricia Maugain	DG Relex	EU	Christian Freres	20/04/2005
K. Grevesmuhl	Ecofin	EU	Christian Freres	20/04/2005
Tomás Duplá del Moral	Director for Latin America, DG Relex	EU	Christian Freres	20/04/2005
Víctor Maldonado	Head, Central America Unit, DG Relex	EU	Christian Freres	20/04/2005
K-F Falkenberg	DG Trade	EU	Christian Freres	21/04/2005
L. Argimon-Pistre	DG Relex	EU	Christian Freres	21/04/2005

Víctor Losada	Europeaid	EU	Christian Freres	21/04/2005
Ricardo Gambini	Head of the division, Centralised Operations for Latin America, Europeaid	EU	José Antonio Sanahuja y Christian Freres	
Javier Fernández Fernández	Civil servant of foreign affairs and human rights, European Parliament	EU	José Antonio Sanahuja	30/05/2005
Aude Maio Coliche	Desk Colombia, RELEX	EU	José Antonio Sanahuja	31/05/2005
Rosa Quevedo	Horizontal matters, RELEX	EU	José Antonio Sanahuja	31/05/2005
Fernando Cardesa García	Director of Latin America, Europeaid	EU	José Antonio Sanahuja	31/05/2005
Patrick Paoli	Deputy director of Americas area, Ministry of Foreign Affairs	France	Cecilia Alemany and Carlos Quenán	23/03/2005
Matthieu Ly Van Loung	European co-operation division, Ministry of Foreign Affairs	France	Cecilia Alemany and Carlos Quenán	20/04/2005
Clelia Chevrier	Deputy director, International financial affairs, Ministry of Foreign Affairs	France	Cecilia Alemany and Carlos Quenán	20/04/2005
Caroline Ferrari	Deputy director of EU foreign affairs Department, Ministry of Foreign Affairs	France	Cecilia Alemany and Carlos Quenán	20/04/2005
Bertrand Lavezzari	Ministry of Foreign Affairs	France	Cecilia Alemany and Carlos Quenán	21/04/2005
Jean Maurice Ripert	Director of Multilateral Relations (UN), Foreign Affairs Ministry.	France	Cecilia Alemany and Carlos Quenán	21/04/2005
Allain Rouquié	President of La Maison d'Amerique Latine	France	Cecilia Alemany and Carlos Quenán	21/04/2005
Daniel Parfait	Director for America and Caribbean area	France	Cecilia Alemany and Carlos Quenán	21/04/2005
Nelson Vallejo-Gómez	Education Ministry	France	Cecilia Alemany and Carlos Quenán	22/04/2005
Yago Pico de Coaña	Ambassador at the special mission to the Ibero American Summits and multilateral affairs	Spain	Celestino del Arenal	24/02/2005
Emilio Lamo de Espinosa	Ex-Director of the Real Instituto Elcano	Spain	Celestino del Arenal	24/02/2005
José Javier Gómez-Llera García-Nava	Consultant of the International Policy and Security Department,	Spain	Celestino del Arenal	25/02/2005

	Presidencia de Gobierno			
Manuel Hernández Ruigómez	Deputy General Director of Mercosur and Chile, Ministry of Foreign Affairs and Cooperation (MAEC)	Spain	Celestino del Arenal	01/03/2005
Juan Carlos Sánchez Alonso	Deputy General Director of Andean Community, MAEC	Spain	Celestino del Arenal	01/03/2005
Enrique Viguera	Director General of integration and co-ordination of EU general and economic affairs, MAEC	Spain	Celestino del Arenal	14/03/2005
Javier Santiso	Studies Department, BBVA	Spain	José Antonio Alonso	21/07/2005
Trinidad Jiménez	Socialist Party (PSOE)	Spain	José Antonio Alonso	27/07/2005
Eduardo Gutiérrez	Consultant of international department, People's Party (PP)	Spain	José Antonio Alonso	22/07/2005
Vicente Donoso	Complutense Institute of International Studies (ICEI)	Spain	José Antonio Alonso	28/07/2005
Carlos Malamud	Researcher, Real Instituto Elcano	Spain	José Antonio Alonso	28/07/2005
Jan van Wissen	Director of Netherlands-Latin American Business Council (NLABC)	Netherlands	Klaus Bodemer	21/03/2005
Koen Hamers,	Consultant on trade policy with Latin America, International Trade and Investment Department, Economic Affairs Ministry	Netherlands	Klaus Bodemer	21/03/2005
Gertie Mulder	Head, South America division, Ministry of Foreign Affairs	Netherlands	Klaus Bodemer	22/03/2005
Carolina Poldermans	Central America and Caribbean Division, Ministry of Foreign Affairs	Netherlands	Klaus Bodemer	22/03/2005
Jochem Wiers	European Affairs Division (AL), Ministry of Foreign Affairs	Netherlands	Klaus Bodemer	22/03/2005
Agustín Pérez Celis	Venezuelan Ambassador to Netherlands	Netherlands	Klaus Bodemer	23/03/2005
Juan Guillermo Espinosa	Chilean Ambassador to Netherlands	Netherlands	Klaus Bodemer	23/03/2005
Paulo Guimaraes	First Secretary, Head of economic and commercial area, Brazilian Embassy	Netherlands	Klaus Bodemer	23/03/2005
Frank Bron	Co-ordinator «Américas» program, Amnesty International	Netherlands	Klaus Bodemer	24/03/2005

Daan Schoemaker	Amnesty International	Netherlands	Klaus Bodemer	24/03/2005
Prof. Dr. Michiel Baud	Director, Centre of Latin America Studies and documentation (CEDLA)	Netherlands	Klaus Bodemer	24/03/2005
Dr. Pitou van Dijck	Senior Researcher, CEDLA	Netherlands	Klaus Bodemer	24/03/2005
Peter Scholz,	Director of Latin America Department, Ministry of Foreign Affairs	Germany	Klaus Bodemer	May, 2005
Herbert Quelle	Director, Southern Cone area, Ministry of Foreign Affairs	Germany	Klaus Bodemer	May, 2005
Karl-Otto König	Director of the Mexico, Central America and Caribbean area, Ministry of Foreign Affairs	Germany	Klaus Bodemer	May, 2005
Betina Kern	Director of Andean area, Ministry of Foreign Affairs	Germany	Klaus Bodemer	May, 2005
Heinrich B. Kreft	Planning Unit official, Ministry of Foreign Affairs	Germany	Klaus Bodemer	May, 2005
Georg Dick	Director, Planning Unit, Ministry of Foreign Affairs	Germany	Klaus Bodemer	May, 2005
Ingrid Hoven	Director, Latin America Department, Federal Ministry of economic co-operation and development	Germany	Klaus Bodemer	May, 2005
Heinrich Dehn	Director of the Central America and Caribbean area, Federal Ministry of economic co-operation and development	Germany	Klaus Bodemer	May, 2005
Wolfram Klein	Expert on Central America, Federal Ministry of economic co-operation and development	Germany	Klaus Bodemer	May, 2005
Edgar von Knebel	Director of the Central America, Caribbean and Mexican area, German Society of Technical Co-operation	Germany	Klaus Bodemer	May, 2005
Barbara Hess	Director of the Cono Sur area, German Society of Technical Co-operation	Germany	Klaus Bodemer	May, 2005
Karin von Löwenstein	Rural Development department, German Society of Technical Co-operation	Germany	Klaus Bodemer	May, 2005
Dörte Ziegler	Environment area, German Society of Technical Co-operation	Germany	Klaus Bodemer	May, 2005
Anna Steinscheu	Peru desk, German Society	Germany	Klaus Bodemer	May, 2005

	of Technical Co-operation (GTZ)			
Uschi Gebser	Peru desk, GTZ	Germany	Klaus Bodemer	May, 2005
Albrecht Stockmeier	Director of the State reform, Governance and Gender area, GTZ	Germany	Klaus Bodemer	May, 2005
Sabine Kittel	Co-ordination Unit, LAC, GTZ	Germany	Klaus Bodemer	May, 2005
Graf Stollberg	Brazil desk, GTZ	Germany	Klaus Bodemer	May, 2005
Rüdiger Hartmann	Latin America and Caribbean Director, KfW	Germany	Klaus Bodemer	May, 2005
Michael Wehinger	KfW	Germany	Klaus Bodemer	May, 2005
Peter Rösler	Interim Director, Asociación Iberoamericana	Germany	Klaus Bodemer	May, 2005
Dörte Wollrad	Latin America Director, FES	Germany	Klaus Bodemer	May, 2005
Claudia Nolte	Deputy, Latin American Affairs in CDU	Germany	Klaus Bodemer	May, 2005
Günther Mainhold	Vice director of the Science and Politics Foundation Berlin	Germany	Klaus Bodemer	May, 2005
Hartmut Sangmeister	Economist, Professor, Heidelberg University	Germany	Klaus Bodemer	May, 2005
Andreas Böckh	Political Scientist, Professor, Tübingen University	Germany	Klaus Bodemer	May, 2005
Hans-Jürgen Puhle	Political Scientist, Professor, Franfurt University	Germany	Klaus Bodemer	May, 2005
Peter Birle	Director of Research, Ibero American Institute, Berlin	Germany	Klaus Bodemer	May, 2005
Manfred Nitsch	Economist, Professor, Latin American Institute, Freie Universität, Berlin	Germany	Klaus Bodemer	May, 2005
Detlef Nolte	Vice director, Ibero American Studies Institute, Hamburg	Germany	Klaus Bodemer	May, 2005
Dirk Messner	Director, German Development Institute (DIE)	Germany	Klaus Bodemer	May, 2005
Tilman Alterburg	Director LAC area, DIE	Germany	Klaus Bodemer	May, 2005
Jörg Faust	Researcher, DIE	Germany	Klaus Bodemer	May, 2005
Jörg Stamm	Researcher, DIE	Germany	Klaus Bodemer	May, 2005
Dr. Wolfgang Dietrich	Professor, Austrian Institute for Latin America (LAI)	Austria	Klaus Bodemer	29/06/2005
Dr. Gerhard Drekonja	Institute of History, Vienna University	Austria	Klaus Bodemer	29/06/2005
Mag. Klaus Kögeler	Foreign Affairs Ministry	Austria	Klaus Bodemer	29/06/2005
Dr. Rudolf Lennkh	Head of Latin America Department, Ministry of Foreign Affairs	Austria	Klaus Bodemer	29/06/2005
Georg Grünberg	Journalist and professor,	Austria	Klaus Bodemer	30/06/2005

	Universidad de las Regiones Autónomas de la Costa Caribe Nicaragüense, Managua			
Erhard Stackl	Journalist, *Der Standard*	Austria	Klaus Bodemer	30/06/2005
Rosa Zehner	Head of the Latin America area, Austrian Development Agency (ADA)	Austria	Klaus Bodemer	30/06/2005
Josef Hofer	Director for Latin American affairs, Trade Organisation, Austria	Austria	Klaus Bodemer	30/06/2005
Josef Mayer	Head of the Latin America and Integration area, Economy Ministry	Austria	Klaus Bodemer	30/06/2005
Tomasz Ostaszewicz	Deputy director of the Trade Policy Department, Economy and Labour Ministry	Poland	Jose Antonio Sanahuja y Agata Czaplinska	19/05/2005
Urszula Zulawska	Professor, ex director IKR President of the Poland Association of Latin American Studies, Development Countries Institute (Geography Faculty Warsaw University)	Poland	Jose Antonio Sanahuja y Agata Czaplinska	19/05/2005
Przemyslaw Marzec	Deputy director, Ministry of Foreign Affairs, Americas Department	Poland	Jose Antonio Sanahuja y Agata Czaplinska	20/05/2005
Pawel Kulka Kulpiowski	Deputy director, International Economic Policy Directorate. Ministry of Foreign Affairs. (Present Polish Ambassador in Brazil)	Poland	Jose Antonio Sanahuja	16/07/2005
Daniel Passent	Journalist in *Polityka* (weekly)	Poland	Jose Antonio Sanahuja y Agata Czaplinska	20/05/2005
Andras Szörényi	Latin American affairs delegate at the permanent mission of Hungary in EU	Hungary	Jose Antonio Sanahuja	31/05/2005

Interviews in USA

Kevin Whitaker	Director of Cuban Affairs Office, State Department	USA	Christian Freres	7-12/06/2005
Lawrence	Director of economic	USA	Christian Freres	7-12/06/2005

Gumbiner	relations and Summits' Affairs, State Department			
Kimber Shearer	Bureau of European affairs	USA	Christian Freres	7-12/06/2005
Despina Manos	EU Delegation	USA	Christian Freres	7-12/06/2005
Peter DeShâzo	Director of the Americas Program, Centre for Strategies and International Affairs	USA	Christian Freres	7-12/06/2005
Dan Runde	Director of Global Development Alliance, USAID	USA	Christian Freres	7-12/06/2005
Todd Hammer	Bureau for Latin America and Caribbean, USAID	USA	Christian Freres	7-12/06/2005
Norcen o´Meava	Donor Coordination Office, USAID	USA	Christian Freres	7-12/06/2005
Marifeli Perez Stable	Vice-president, Inter-American Dialogue	USA	Christian Freres	7-12/06/2005
Veroniza Zunino	Freedom House	USA	Christian Freres	7-12/06/2005
Ian Houston	Director, Public resources, Technoserve	USA	Christian Freres	7-12/06/2005
Patrick Killbride	Council for the Americas	USA	Christian Freres	7-12/06/2005

Appendix 4: List of meetings in which the project's researchers has participated

Seminar/Workshop	Organization	Place	Date
II EU – México Civil Society Forum	European Commission and Secretary of Foreign Affairs (SRE), Mexico	México DF, Mexico	February 2005
Workshop on the Co-operation strategy for El Salvador (2007-2013)	European and Salvadoran NGOs,	El Salvador	April 7th, 2005
Consultation with civil society workshop on the Country Strategy Paper (CSP) for El Salvador	European Commission	El Salvador	April 13th, 2005
Workshop on the Co-operation strategy for Nicaragua (2007-2013)	Coordinadora Civil Nicaragüense and Iniciativa CID	Nicaragua	April 9th, 2005
Consultation with civil society workshop on the Country Strategy Paper (CSP) for Nicaragua (2007-2013)	European Commission	Nicaragua	April 11th, 2005
European Seminar on the MDG + 5: ¿Is EU really striving in fighting poverty?	Caritas Luxembourg	Luxembourg	April 24th, 2005
Presentation of Results of the Evaluation of the European Commission's Regional Strategy for Latin America	Europeaid (European Commission), DRN	Brussels	April 25th, 2005
Consultation with civil society workshop on the Country Strategy Paper (CSP) for Costa Rica (2007-2013)	European Commission	Costa Rica	May 18th and 19th, 2005
Workshop on the Regional Strategy Paper (RSP) (2007-2013)	European and Central American NGOs	El Salvador	June 13th, 2005
Consultation	European Commission	El Salvador	June 13th, 2005

Workshop with civil society on the Regional Strategy Paper (2007-2013)			
International seminar on Eastern and Central Europe and the EU Latin American Initiatives. Experiences and challenges one year after accession	Centre of Latin American Studies (CESLA), Warsaw University	Warsaw, Poland.	May, 19th – 21st,2005
Seminar EU-Colombia-Spain. Proposals for peace and human rights	Centre for Peace Research (CIP), ICEI and Grupo Sur	Madrid, Spain.	June, 20th-21st, 2005
Positive and negative aspects of NGOs in Latin America	IHEAL, Sorbonne La Nouvelle-Paris III.	Paris, France	
The challenges of EU-Andean Community negotiations from the perspective of Andean civil society	IEE/PUCP, Desco, Cedal, ALOP.	Lima, Peru	
Social cohesion and Andean regional integration. EU-Andean Community Civil Society Dialogue	European Commission	Brussels	
Seminar on EU-Latin America and poverty, development and democracy	Austrian Institute for Latin America, Centre of Iberian and Latin American Studies, Bratislava University and TRIALOG	Bratislava, Slovakia	June 29th – 30th, 2005