



# **GUARDARE AL PASSATO PER COSTRUIRE IL FUTURO**

Una prospettiva delle relazioni  
tra UE e SUD AMERICA

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FONDAZIONE  
**DE GASPERI**

South America is one of the first areas in which European Union acted to promote regional integration. Since the early stages of European integration, Brussels has engaged highly heterogeneous relations with the ‘Southern Cone’, involving much more than economic trade. The European Union is Latin America’s top investor and second major trading partner, but above all, the European Union, always a supporter of Latin American regional integration initiatives, has attempted to use its trade agreement negotiations to further regional integration in the area, by spreading its model through a close relationship with the major regional associations, such as MERCOSUR and CELAC. The reason why this spill-over of EU model in other integration process according to Pierson and Smith seems to have a mere functional justification, in the sense that the regional integration occurred independently to reassure EU about the credibility of market liberalization commitment pursued by South American states since 90s; however, other scholars, such as Lenz, tend to argue that there has been indeed an active role of EU in affecting the process: a role that goes beyond the FDIs<sup>1</sup>. In recent years, relations between

1 LENZ T., *Spurred Emulation: The EU and Regional Integration in Mercosur and SADC*, Boston, 2011; and *Governance through Policy Transfer in the External Relations of the European Union – The Case of Mercosur*, Pittsburgh, 2006.

the EU and Latin American countries have come back into the spotlight, both because new opportunities and new challenges came forward. It is true, in fact, that the last UE-CE-LAC<sup>2</sup> put the basis for a broader and deeper cooperation, (giving space for an eventual extension to the Cotonou) and the Conference EU Relations with Latin America: from Social Resilience to Global Governance set the track from a cooperation based on “doing for you” to a relationship based on “doing with you”, but it is also true that the most recent political events, occurring on both sides of the Atlantic, may put in danger, or at least dramatically slow down, a promising process of integration. In this sense, looking back at the past successes might be a good source of inspiration in order to make effective moves for the future.

Since its very beginnings, after a long period of political turmoil caused by the “big game” of the Cold War, the rising European Union has always had a key role in the wave of regionalism which is still spreading in South America at a steady pace. Since the 90s, the relations EU had with the Latin American Countries has been characterized for being highly heterogeneous; unlikely the Asian and African counterparts.

2 See <http://www.consilium.europa.eu/it/2015-eu-celac/>.

European interests in the Southern Cone have always involved not only trade and commerce, but also social cohesion; cooperation to sustainable development, research and security<sup>3</sup>. The reasons why Europe has been able to establish, from the very beginning, such a deep connection with the South American States lie not only on the fact that the trade with the European Union holds the biggest share of the total foreign trade with the region – still more than China and almost the double of the share of the much closer United States<sup>4</sup> – but also on the fact that Latin America shares deeper and more various connection with Europe which include strong cultural bond inherited from the ancient legacy of the colonial ages, as well as the most recent and successful policies in support to sustainable development<sup>5</sup>. On top of that, the success of Europe in creating such strong ties we all want to keep and further enhance lies in its peculiar approach to the promotion of regional integration. As a matter of fact, if on one hand Brussels has decided to promote a “lesson drawing” process in South East Asia and a direct and pervasive promotion in Africa, backed by substantial money drops, on the other hand the experience in South America can be considered as a path ‘in between’. As a matter of fact, looking at the examples of MERCOSUR and CELAC as they are at the forefront of Latin American integration can be a good

point to start a debate over the ability EU institutions had over the years, in promoting a sort of regionalism in the Southern Cone that could resemble the European process and undoubtedly contributed to make South America the fifth largest partner with the EU.

3 VAN KLAVEREN A., AMÉRICA LATINA Y LA UNIÓN EUROPEA. La necesidad de una relación madura. [http://www.academia.edu/958322/Am%C3%A9rica\\_Latina\\_y\\_la\\_Uni%C3%B3n\\_Europea.\\_La\\_necesidad\\_de\\_una\\_relaci%C3%B3n\\_madura](http://www.academia.edu/958322/Am%C3%A9rica_Latina_y_la_Uni%C3%B3n_Europea._La_necesidad_de_una_relaci%C3%B3n_madura). VERDES-MONTENEGRO ESCÁNEZ F., Seguridad e interregionalismo entre la UE-ALC: Más problemas que política, Anuario de Integración 10 2014.

4 GARDINI G. L., Government-Business Relations in the Construction of Mercosur in Business and Politics 8(1), 2006; For the data on EU-Latin America trade, see [www.wto.org](http://www.wto.org) › trade topics; [unctad.org/en/publicationslibrary/wir2013](http://unctad.org/en/publicationslibrary/wir2013)

5 BOTTO M., The Role of Epistemic Communities in the ‘Makability’ of Mercosur. The EU and World Regionalism: The Makability of Regions in the 21st Century, Ashgate 2009 and GARDINI, op. cit.

The very first attempt of European action in promoting regional integration in the Southern Cone occurred shortly after the fall of Berlin Wall and it is deeply connected with the creation of MERCOSUR and the shaping of its market building approach. After the crisis of the foreign debt crisis that struck Latin American countries in the late 1980s, a new political class came to power in 1989 and the new Presidents of the major economic powers in the region, the Argentinian Carlos Menem and the Brazilian Fernando Collor, decided to set on track an ambitious and quite revolutionary programme of unilateral trade liberalization<sup>6</sup>, showing a firm a shared will to introduce economic liberalization as the solution to recover from the bad outcomes of the financial crisis. This project came definitely to light when both Uruguay and Paraguay joined negotiations in mid-1990<sup>7</sup> for the establishment of a CM in the Southern Cone. But where can we find the evidences which can help us demonstrating that indeed Mercosur can be addressed as a case of emulating EU?

From the words of Luiz Felipe Lampraia, one of the contributors to the treaty of Asunción, in creating MERCOSUR «reference to EU was constant»<sup>8</sup> and in the mind of the drafters was the ideas to create an entity more resembling a communitarian view, rather than a market-oriented agree-

ment, likewise the North American Free Trade Agreement. In this sense, Mercosur's Treaty of Asunción<sup>9</sup>, clearly refers to EC terminology and this is visible at a first glance: in fact, comparing the Single European Act with the Treaty of Asunción, where it is spoken of the "free circulation of goods, services and factors of production" through the "elimination of customs rights and non-tariff barriers; harmonization and the establishment of a Common External Tariff (CET)" by the adoption of a common commercial policy as well as the "coordination of macroeconomic and sectorial policies" (Art. 1). The list of common policies to be coordinated under the Treaty reads like taken from the Single European Act, which was adopted only a few years earlier (Art. 5).<sup>10</sup>

6 Tratado de Integración, Cooperación y Desarrollo entre Brasil y Argentina. Retrieved 2013-12-25.

7 Tratado de Integración, Cooperación y Desarrollo entre Brasil y Argentina. Retrieved 2013-12-25.

8 LENZ, Spurred Emulation, cit. p. 11 [http://www.euce.org/eusa/2011/papers/12k\\_lenz.pdf](http://www.euce.org/eusa/2011/papers/12k_lenz.pdf).

9 PEROTTI A., *Habilitación Constitucional para la Integración Comunitaria: Estudio sobre los Estados del Mercosur*, Montevideo, KAS. 2004.

10 For the analysis of the Treaty of Asunción, check BÖRZEL T A & RISSE T, *Diffusing (Inter-) Regionalism: The EU as a Model of Regional Integration*, KFG, Berlin, 2009 pp. 13-15.

In addition, it has been looked at the European model even in the preparation for the conclusion of an Interregional Association Agreement (Art. 4), which would have provided for a broader cooperation in all areas of the Single Market. In this regard, keeping in mind the completion of the Mercosur Common Market as a major precondition for the reciprocal enhancing of interregional trade in the route Europe-South America (in accordance to the functional justification), MERCOSUR started to develop a series of legal bodies shaped on the structure of EU institutions, likewise the Comisión de Representantes Permanentes<sup>11</sup>, the Mercosur Fund of Structural Convergence, and the Mercosur Parliament. Next to institution-building, which bolstered the 'lesson drawing' process, EU assistance, likewise the intervention in Africa, has fostered intra-MERCOSUR trade and integration by acting on material incentives as well, providing new business opportunities, growth and market expansion (as soon as MERCOSUR entered in force, the EU guaranteed a privileged trade relationship) and favoured the creation of centres such as the CEFIR (Centro de Formación para la Integración Regional), established in 1993<sup>12</sup> and aimed to vehicle the European models to the regional integration process, and the IRELA (Instituto de Relaciones Europeo-Latinoamericanas); an important think tank focused on the

improvement of the relations between Europe and South America.<sup>13</sup>

The commitment to a more integrated and variegated approach to South American integration in order to bring all the States together in a single and reliable institution, became manifest in 2010, during the works of the VI EU-LAC Summit in Madrid<sup>14</sup> where, the interest showed by the EU to enhance the EU-LAC dialogue tackling issues such as the regional security, the war on drug cartels and the eradication of the iniquities still existing, sanctioned the birth of the Latin American and Caribbean Community (CELAC) as a representative mechanism representing the practical application of the will of both EU and the LAC Countries to have a more effective «cooperation and

11 BÖRZEL, *ivi*; PEROTTI, *op. cit.* and Lenz.

12 <http://cefir.org.uy/>.

13 Established in Madrid in 1985, PEROTTI *op. cit.*; HETTNE & SO- DERBAUM, *cit.* [http://www.academia.edu/958322/Am%C3%A9rica\\_Latina\\_y\\_la\\_Uni%C3%B3n\\_Europea.\\_La\\_necesidad\\_de\\_una\\_relaci%C3%B3n\\_madura](http://www.academia.edu/958322/Am%C3%A9rica_Latina_y_la_Uni%C3%B3n_Europea._La_necesidad_de_una_relaci%C3%B3n_madura).

14 Consejo de Europa (2010), *Hacia una nueva fase de la asociación birregional: Innovación y tecnología para el desarrollo sostenible y la integración social. Plan de Acción 2010-2012, Cumbre UE-ALC, Madrid, 18 de mayo de 2010.*

confrontation»<sup>15</sup> not only the trade, but at political level as well. This of course signifies a 'step forward' in the regional integration promotion path and it seems that during the whole process started with the Treaty of Asunción, the EU was capable of providing a feasible model of market integration capable to generate a normative consensus which has been the basis for a more persuasive promotion of political and governmental integration on a regional level, based on material incentives. In fact, in creating CELAC and approving the Common Action Plan in 2013<sup>16</sup>, emulation comes from a mutual alliance for sustainable development with strong material incentives such as common interests; shared priorities and mutual benefits. We must not forget that EU is the biggest donor in the region not only concerning FDIs, but also concerning multilayer development funds: EU has dispatched to LAC countries more than 3 billion € in development assistance, therefore there is a common interest to provide a safe and transparent management of those funds on the behalf of both parties and, moreover, EU Has been putting pressure concerning the enhancement of the integration regarding issues which are important not only to European financial actors, but also to European democratic morality, such as human rights protection, sustainability, finance and trade security and fight against Drug Market.<sup>17</sup>

Overall, the EU appears to have developed a 'one-size-fits-all' approach that has been able to promote regional integration in South America, in which the 'communitarian approach' trumped the 'market-orientated' one promoted by the NAFTA. Unlike the US, then, the EU must pursue in creating trade relations that are always flanked by political, cultural and technical cooperation based on the EU's good governance principles, including the respect for human rights, democracy, and the rule of law. Political dialogue is, then, what dominated the EU's relations with the whole South American region since from the start, now the big question is: will the EU be able to keep it up, especially when the situation looks more favourable than ever?

15 CELAC-UE (2013). Declaración de Santiago, Iª Cumbre CELAC-UE, VIIª Cumbre ALC-UE, Santiago de Chile.

16 ELAC-UE (2013), Declaración de Santiago, Iª Cumbre CELAC-UE, VIIª Cumbre ALC-UE, Santiago de Chile .and VERDES-MONTENEGRO ESCÁNEZ FRANCISCO, Seguridad e interregionalismo entre la UE-ALC: Más problemas que política, Anuario de Integración 10 2014.

17 More information on Comisión Global de Políticas de Drogas (2011), Informe de la Comisión Global de Políticas de Drogas, Junio 2011 [disponible en: [www.globalcommissionondrugs.org](http://www.globalcommissionondrugs.org)]; Comisión Latinoamericana sobre Drogas y Democracia (2009), Drogas y democracia: hacia un cambio de paradigma, Declaración de la Comisión Latinoamericana sobre Drogas y Democracia, disponible en: [www.drogasydemocracia.org](http://www.drogasydemocracia.org).

Latin America is in fact living a big change in the politics of its major states where, the massive rejection of the socialist movements, from Chavez to Lula; from Morales to Kirchner has allowed a new right-centre and business proactive political class at the power (the last exploit happened in the historically socialist Peru), bringing a lot more opportunities for more cooperation and tighter links. Even so, EU must stay alert not to lose its primacy and its privileged position vis à vis the Southern Cone because, even though the relationship has strong and deep roots, it is also true that, due to the lack of unity the Union is currently suffering, Brussels is not showing the same unit front that expects from its international partners. A clear example of that is the rather decomposed reaction that followed the end of the embargo with Cuba, in which the particular interests of the Member States trumped by far a more concerted dialogue, alongside the tense political situation in Great Britain and Spain, both on the verge of important elections that diverted the attention of both policy makers and diplomacy makers alike; especially Spain, Europe's beachhead in Latin America, can no longer indulge on the choice of a new government, otherwise its immobility will put Iberian diplomatic relations in great jeopardy and Europe will lose a major actor in the area.

It is time, therefore, that political

formations that we have seen have been created after decades of effective promotion of regional integration by the European Union, step up and take the initiative to keep the relations growing and flourishing. If the Latin American States still believe in the importance of a close partnership with the EU, they should be able to use the regional integration in a more proactive way in calling the European Union as a whole to seat at the table of negotiation with much more frequency and challenge it to boost even further that unique cooperation that started more than 20 years ago.

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