

Reality check

In its relations with Latin America, the EU should focus on global governance

By Susanne Grätius

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Brazil is one of the winners of the financial crisis. Backed by a booming economy and being a stable democracy, the country now plays in the first league.

Brazil's international upgrading has been consolidated by obtaining the 2016 Olympic Games for Rio de Janeiro, against the candidacy of Madrid. Brazil also replaced Spain as the world's 8th economy.

The competition between Brazil and Spain illustrates the power shift between Europe and Latin America -- and the need to reform relations.

The traditional north-south perspective focused on aid is no longer sustainable, although some Latin American countries, starting with Haiti or Honduras, are still below the poverty line. Brazil and – bandwagoning the US – Mexico are emerging powers, while many European countries, including Spain, are declining powers. Their repositioning in the international hierarchy of nations is also changing the nature of European–Latin American relations.

The geostrategic competition between the declining power Spain and the newcomer Brazil became visible with Spain's initiative to create an Iberoamerican Community of Nations. Brazil has refused to become an active member of an 'Iberoamerica' invented in Madrid. Instead, it is designing its own multilateral power project called Unasur, made up of 12 South American countries.

This competition between Spain and Brazil has a negative impact on the relations between the EU and Latin America and the Caribbean (LAC). A key problem for EU-LAC relations is that Spain's main ally in Latin America is not Brazil but Mexico, the closest US ally and Brazil's main rival in the hemisphere. Because Spain is dominating EU's relations with Brazil have been cordial but traditionally of mutual benign neglect. Because of Spain's special relation with the Mexico, the country is the EU's main partner in the region. Mexico has already signed a free trade agreement with the EU and will receive the same favorable treatment as Brazil, the biggest Latin American country. With Brazil, the EU has summits since 2007, launched first by Portugal. Argentina and Venezuela might also soon be part of the EU's summit diplomacy. Than the EU would have at least four highest level meetings with a region of relatively minor economic and geostrategic interest for the EU.

It would be much better if the EU would follow the model of its privileged relation with India or South Africa, and single out Brazil as a privileged partner. By doing so, the EU would recognise Brazil's regional leadership, instead of honoring second-rate countries with political upgrading while lacking a relevant agenda.

This would also be in tune with the fact that bilateralism is beginning to replace inter-regionalism as the dominant pattern in EU–LAC relations. Only the Caribbean and Central American countries maintain their group-to-group cooperation with the EU. As free trade negotiations with the moribund Andean Community failed, the EU will start bilateral processes with Colombia and Peru. And there has been no progress in EU–MERCOSUR relations either. Although it is not on the agenda, the logical conclusion would be to start negotiating with Brazil.

Next May, the Fifth EU–LAC Summit will take place in Madrid, under the Spanish EU presidency. The dull title of the meeting ("Towards a new stage in the bi-regional partnership: Innovation and Technology for sustainable development and social inclusion") reflects the fact that the inter-regional agenda offers very little space for debating the real issues. A new fund for infrastructure, the conclusion of an EU–Central America agreement and the future creation of an EU–LAC foundation are the foreseeable results. They could perfectly be reached without a summit.

Instead of concentrating on issues that can be solved in bilateral technical meetings, the summits should focus on the real comparative advantage of an EU–Latin America association: global governance. To discuss and define common positions on international issues where political affinities are strong enough (climate change, conflict prevention, poverty reduction) would add a new quality to the relationship and, in the long run, translate common values into common action.

If the next summit does not address common global challenges like the financial crisis, the G-20, the reform of the global financial system and the future of the UN, it will just be another missed opportunity to create the strategic partnership envisaged ten years ago in Rio de Janeiro. It is Spain's responsibility to correct the mistakes of the past and to defend the EU's Latin American connection with new and more convincing arguments beyond its national interests and preferences.

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