

## “Latin-American integration: A European Push in the Right Direction?”

By Jonas Claes

*“Regional integration is a key element for stability, economic growth and investment, and for increasing the weight of both regions on the world stage.”*

Declaration of Vienna, Austria, 12 May 2006 (4<sup>th</sup> EU-LAC Summit)

At present, Brussels is taking the time to reflect on the period of stagnation that Europe has entered into as a result of the Irish referendum. Yet, a thorough and objective evaluation of 60 years of continental deepening and widening cannot disregard the political stability, economic prosperity, and ‘long peace’ the continent has experienced, an achievement which can partially be ascribed to its integration project. As the current reference on integration experience, reflecting both its ‘goods and bads’, other continents could undoubtedly take certain lessons from Europe in order to enhance region-wide development, political stability and peace. The EU-LAC Summits, of which the most recent one took place in Lima on May 16<sup>th</sup>, 2008, have been limited to merely symbolic political dialogues. The Summits should evolve into a bi-regional framework that aims at joining experience and developing best practices on how to comprehensively tackle the increasingly transnational and global challenges Latin-America is currently facing.

Firstly, the existing ‘traditional’ bilateral practices need to be optimized. Individual countries on both sides of the Atlantic need to address the asymmetrical nature that characterizes current trade relations between both continents, for example by facilitating



the access for businesses to each others’ markets. Also, the external efforts of individual EU countries and metropolitan areas, aimed at democratization, strengthening the rule of law, or other state-building exercises, need to be coordinated within a broader EU framework. For example, the initiatives of individual EU member states to answer country-specific needs regarding social cohesion, a challenge that often requires implementation at the national or local level, should become part of a comprehensive EU approach. Unfortunately, “although everybody acknowledges the need to coordinate, nobody likes to be coordinated.”

Secondly, an improved effort to address (sub-)national challenges on a bilateral basis should be complemented by a European effort to share its experiences in tackling transnational as well as global issues. This initiative could effectively move Latin-America’s viable level of peace and development towards self-sustainability. Latin-America cannot escape from the globalization of many complex and interrelated

structural issues, such as energy security, climate change, organized crime and drug trafficking, challenges which are to some extent shared with Europe. In order to respond effectively to the causes and effects of these challenges, Latin-American countries need to strengthen both their individual and regional 'coping capacity'. This could help to deal with the anticipated social and economic repercussions the intrusive effects of global climate change are likely to have on the continent. The bi-regional Strategic Association Summits between the EU and LAC should move beyond 'reiterating the commitment to further promote and strengthen the bi-regional partnership', intentions that stay limited to rhetoric rather than action. The Interregional Agreements between the EU on the one hand, and Mercosur, the Community of Andean Nations (CAN), and the countries of the Central-American Integration System (SICA) on the other, aim at political and economic cooperation. Yet, only tentative steps have been taken, e.g. regarding the efforts to establish a free trade area. Turning this strategic partnership into concrete action proves to be one of the greatest challenges for the near future.

An expanded version of the Union of South American Nations (UNASUR), which



should also include both Caribbean and Central American nations, could form the basis for a new economic integration project. Ideally, once they acknowledge their mutual interest in the project, Brazil and Mexico could operate as the driving forces given their political and economic strength within the

international system. Further integration will instigate an institutional spill-over effect, facilitating the creation of a political framework that steers the deepening and widening of this, initially, economic community. In order to effectively tackle the 'challenges of the 21<sup>st</sup> century', regional integration is indispensable, especially in a country's economic - including energy and environment- and security policy. Macro-economic convergence on a bi-regional base would foster economic growth and facilitate trans-regional investments, both crucial to Latin-America's development and participation in the global market. Also, the flow of intra- and inter-regional migration should be managed to the benefit of both continents. In order to mitigate the effects of climate change and enhance its regional energy security, while at the same time maintaining its economic competitiveness, Latin-America should reverse any move towards resource nationalism, connect its energy network and join the European '20-20-20'-plan<sup>1</sup>. A controversial yet necessary measure is the elaboration of the South-American Defense Council Initiative. Although primarily aimed at mediating regional conflicts, this instrument could

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<sup>1</sup> The EU hopes for an international agreement, which includes the commitment to cut greenhouse gases by 20 %, increase energy efficiency by 20 %, and boost renewable energies by 20%.

strengthen Latin-America's capacity to develop civil crisis responses, and cooperate on the non-proliferation of small arms, land mines, and ABC<sup>2</sup>-weapons. At the moment, both a Brazilian and Venezuelan regional integration plan is on the table. To achieve both short and long-term results, and receive the external good-will it requires, an inclusive Latin-American integration project should emerge from what the countries share, instead of what they combat.

On the one hand, the potential benefits of Latin-American integration are multiple, such as an decreased vulnerability to shocks in the international financial and energy market and the lowered risk of inter-state tensions. Yet, on the other hand, several impediments to regional integration remain. Firstly, in the last decade a process of ideological polarization has taken place in Latin-America. This process created a continental split between the Monroe axe (i.e. Mexico, Peru, Chile, Colombia and most of Central-America), consisting of countries following an open market model with a high degree of global market integration, and the Bolivarian axe (i.e. Venezuela, Ecuador, Argentina, etc.), countries with populist administrations aimed at revitalizing a centralized state-run economy and often highly valuing the self-determination principle. Secondly, Latin-America suffers from topographical impediments to interconnectivity. The current absence of physical transnational networks, partially due to the inhabitable character of certain jungle or mountainous areas, will hamper the construction of network infrastructures, notably in the fields of energy, transport and telecommunications.<sup>3</sup> Finally, it should be noted that European integration only succeeded thanks to American support for this process. Currently Latin-America is not ranked as a top priority by either the US or the EU, although the former has considered the southern part of its hemisphere to be its 'backyard' since the Monroe doctrine of 1823. Apart from serving as an experiment case for an alternative strategic approach on handling security challenges and stabilization projects, Europe does not have any vital interest in the continent either.

Continents, countries and regions need to reevaluate whether their policies still comply with the functional 2-way interpretation of the subsidiarity principle, indicating that policy-making should take place at the most appropriate, and not lowest level. Within an increasingly interdependent and globalized world, countries need to become aware of their common interest in using integrated frameworks to deal with challenges that often transcend sub-national and national interests.

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<sup>2</sup> Atomic, Biological and Chemical

<sup>3</sup> Declaration of Vienna, Austria, 12 May 2006 (4<sup>th</sup> EU-LAC<sup>3</sup> Summit), p 11  
<[http://ec.europa.eu/external\\_relations/lac/vienna/declaration\\_en.pdf](http://ec.europa.eu/external_relations/lac/vienna/declaration_en.pdf)>