

Spain and the European Union’s policy towards Latin America

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At this historic moment, coinciding with Spanish Presidency of the Union, the holding of the Sixth EU-LAC Summit in Madrid and the entry into force of the Lisbon Treaty, the political cooperation the European Union and Spain have nurtured with Latin America is in an important phase, in which the free trade agreements the EU has already signed with Mexico and Chile are now being strengthened and extended to other countries and regional integration areas.

The *Latin America Regional Programming Document 2007–2013* and the Commission communications to the Council and European Parliament entitled *Financing for Development and Aid Effectiveness — The challenges of scaling up EU aid 2006–2010* and *Increasing the impact of EU aid: a common framework for drafting country strategy papers and joint multiannual programming* are the result of an opportune moment for developing the instruments established for the purposes of conducting this political cooperation, and for proposing changes that will primarily give real substance to the various areas of political cooperation to date.

The long tradition of economic and trade ties, development cooperation and aid, and more recent political cooperation has enabled both parties to gradually establish shared interests which go beyond agreements or the widening of individual objectives. At international level, Spain and the European Union have political and economic goals including peace, security, democracy, sustainable development and market stability, the realisation of which can be aided not only by the necessary progress in their own integration process — especially since the entry into force of the Lisbon Treaty on 1 January 2010 — but also by the support of partners who can find common solutions to common problems.

In Latin America's case, its cultural proximity and the fact that its political positions in many cases coincide with those of Europe, in addition to its growth potential and the positive development of its socio-economic structures, have led to a greater capacity for investment, trade and technology transfers between the regions.

In recent years, Latin America has demonstrated a strong capacity for expansion, even where there are differences both between and within countries. The far-reaching reforms governments have carried out in modernising the State, bringing about liberalisation and applying rigorous economic policy have helped revive interest in the various areas of cooperation, leading to a gradual upgrading of the agreements and the individual instruments used to put into practice the political objectives established by common accord. This joint effort is still not enough to have a significant impact on the high rates of poverty, inequality, corruption and impunity to which all indicators attest, particularly human development indicators, but it is evidence of the shared determination to follow the path marked by the *Millennium Development Goals*.

It should also be stressed that Spain and the European Union share with Latin America political interests that are inevitably reflected in the improvements made to political dialogue thus far, which need to go further. Changes — as yet insufficient — have been made to the planning, implementation and sustainability instruments for numerous projects designed to bring gains in specific areas and sectors of political cooperation in order to lend real substance to this dialogue. These shared political interests correspond in particular to a profound desire on the part of Latin Americans and Europeans to see a strengthening of democracy and the protection of human rights.

While these objectives occupy a central place in political dialogue, there have been serious difficulties when it comes to implementing the individual cooperation projects that help establish a real dynamic for change within public and private institutions in the countries of Latin America. In many cases, political cooperation takes a 'top-down' approach — from the institutional sphere to citizens — which cannot guarantee that achievements will be made or that they will be sustained in future. In short, there is a huge disparity as regards assessment of political cooperation with Latin America in terms of stated aims and the enormous difficulty in putting them into practice, not to mention the obstacles specific to each project; but proposals are being made for new instruments that will enable and facilitate the planning, coordination,

implementation and maintenance of the achievements secured by cooperation, which are the principal result of political dialogue.

Within this general framework, in the years 1991–1995, 2000–2006 and 2007–2013 — if we take the main strategy periods established by the EU with regard to this region — relations between the European Union and the countries of Latin America have become more comprehensive and systematic, with visible progress in economic, financial and development cooperation in the first period and relative advances in the second and third. All this is the consequence of a substantial improvement in terms of democratisation, combined with more effective civil society involvement and the positive impact of market and trade liberalisation policies backed by international financial institutions (the IMF in particular), regional integration and progress with structural reforms (privatisation of State assets, fiscal reform, reform of the financial system, the restructuring of foreign debt, etc.).

The factors of convergence between Spain, the European Union and Latin America, the path they have trodden together and the challenges that remain allow us to identify a series of areas in which it will be necessary to go further and make improvements if we wish to lend our political dialogue real substance. Over the last decade, the countries of Latin America have made significant progress in carrying out substantial reforms with regard to their management of domestic affairs (strengthening institutional capacity and consolidating democracy and the rule of law) and their involvement in the economic and international arena (economic liberalisation, the opening-up of markets, WTO membership, etc.). Nevertheless, these countries remain convinced of the need to press on with their reform efforts and they must also tackle a number of fresh issues, which, as stated at the Vienna Summit of May 2006 and Madrid Summit of May 2010, will constitute the main challenges for the next millennium, encompassing old and new problems:

- ‘1) The consolidation of democracy, guaranteeing respect for the principles of the rule of law, greater transparency in the management of public affairs, a more effective judiciary and a more active role for civil society in public life.
- 2) A more equitable distribution of wealth by correcting the often sizeable disparities between different sections of society in terms of assets and income. This would require:
 - a) a stable macroeconomic climate and structural reform capable of delivering sustainable growth;
 - b) a firmer commitment to industrial development that takes account of the environment and the principles of sustainable development, which is the only way of creating a sufficient number of skilled jobs in order to modernise income structures and decision-making power at national level;
 - c) close attention by governments to investment in human capital and the development of suitable policies to ensure equal opportunities, in addition to the setting-up, where appropriate, of fairer wealth redistribution systems and the adjustment of fiscal policies.
- 3) The strengthening of regional integration processes where these favour a gradual and structured opening of the economy and the introduction of the reforms needed to secure monetary and financial stability. This would also provide a broader and more reliable basis for operators, enabling them to become more competitive and to integrate more easily into the multilateral trade system ...’

It is necessary, however, not just to look at stated political intentions but to consider some of the problems and implications for these countries that have arisen in connection with certain processes, of liberalisation ‘at all costs’ and gradual globalisation, which political cooperation and the individual projects thereunder have been unable to offset. Spain, the EU and Latin America share a desire for an international system founded on the principles of multilateralism and governed by universally recognised rules and multilateral surveillance systems. Nevertheless, if we consider the worsening of some processes, as indicated in various reports, it is crucial that, in the absence of an adequate response, developments connected with globalisation do not lead to the aggravation or creation of disparities greater even than those seen in the past, whether in regard to countries, societies, regions or subregions.

Managing this phenomenon would particularly mean strengthening domestic policies within Latin American countries by establishing coherent medium- and long-term priority development strategies. It is our view that, once the data has been analysed and a large number of projects evaluated, this measure should be backed by enhanced and more focused political cooperation, so that what these recent agreements refer to as

‘extensive cooperation’ might be translated into reality, with a particular focus on the qualitative rather than the quantitative aspects of development. Cooperation projects cannot merely focus on macroeconomic indicators: they must result from a balanced approach that takes suitable account of both the cost-effectiveness of the resources allocated and human and institutional concerns.

It is therefore necessary for political cooperation to facilitate a gradual and structured continuation of economic liberalisation, which some approaches refer to as ‘the optimisation of new globalisation processes’, in which, for instance, the modernisation of the State is not associated — as is the case in some of the projects implemented — with the disappearance of organs and institutions, which must of course be more transparent, effective and efficient, but are also much needed. Cooperation will be much more effective if it succeeds in mitigating some of these ‘perverse effects’, which are the result of the internal and external demands of liberalisation, by drawing up suitable accompanying policies that will balance the financial and economic aspects of globalisation with consideration of institutional, social, human and cultural needs.

Establishing a basic agreement that allows political cooperation to provide this ‘compensatory effect’ ties in closely with both parties’ intention to strengthen their ‘strategic partnership’ — to which all EU documents produced since 1995 refer — based on mutual accord. However, this partnership could also be developed in areas of international priority, with common positions or actions, as provided for by the most recent agreements, reflecting the nature of these shared political interests at a time when the international system is undergoing decisive change. The application of these principles of coordination would not, of course, exclude the possibility, in accordance with the very essence of the European approach and Spanish foreign policy towards its Latin American partners, of differentiated instruments and the option of adjusting them on the basis of the real situation and in line with each partner’s capacity. In this regard, it is necessary to press ahead with the new competences, legal personality, external action service and new instruments arising from the Lisbon Treaty, so that progress can be made not only in the three-way Spain-EU-Latin America relationship but also in a ‘shared agenda’ within the international system.

The joint challenges for the future include, in particular: in organisational terms, reform of the United Nations, the creation of mechanisms for conflict prevention and resolution; in terms of legislation and its enforcement, the non-proliferation of weapons of mass destruction, steps to control migration and tackle illegal trafficking (drugs, arms and money laundering) and terrorism; and, as regards the promotion of shared values, human rights and democratisation, sustainable development and the environment and financial stability and social justice.