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EU-LAC RELATIONS: MAKING A SUCCESS OF THE VIENNA SUMMIT

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Introduction

Making a real success of the Fourth EU-LAC Summit, to be held in Vienna in May 2006, is the biggest challenge for both partners. What is certain, however, is that EU-LAC relations as they now stand are continuing to fall short of their immense potential. For more than five years, summits, meetings, declarations, and final acts have followed one after another at regular intervals, but the Biregional Strategic Association, proclaimed in Rio de Janeiro in July 1999, is still failing to find expression in major practical achievements, whether in the political sphere or in the economic, trade, or social spheres. To diagnose the causes would be a lengthy and complex task, and both sides must naturally bear their share of the blame. For the purposes of this report, however, the reasons can be said to boil down, at the internal level, to a manifest lack of strategic ambition and leadership on the part of those institutions called upon most directly to foster the Association, at a time when the partner countries on both sides of the Atlantic plainly do not have the political will to enter into commitments commensurate with the declared ambitions and give specific substance to the Strategic Association. At the external level, it has to be recognised that the consequences of the extraordinary events which have taken place since the First EU-LAC Summit in 1999 (the massive terrorist attacks in New York in 2001 (9-11) and in Madrid in 2004 (11M), the wars in Afghanistan and Iraq, nuclear proliferation in several countries, the failure of the Doha Round, enlargement of the Union, the Convention and ratification of the new Constitution for Europe, etc.) have conclusively put paid to the euphoric predictions made after the collapse of the Berlin Wall, eclipsing other priorities and deflecting the energies needed to strengthen the EU-LAC Association.

Given this state of affairs, and in the same way as at the time of the first Interparliamentary Conference in Bogotá in 1974, it is up to the parliamentary bodies once again to fill the political vacuum created by the shortcomings described above with the aim of revitalising the Biregional Strategic Association by putting forward new ideas and initiatives to add fresh momentum to the process. That is what the EP did in the run-up to the Madrid Summit when it adopted its resolution on 15 November 2001, and that is what the integration parliaments did when they laid down their ten commandments in Puebla (Mexico) on 19 March 2004, in anticipation of the Guadalajara Summit. This report is seeking to serve the same purpose, a hard task which, however, is helped not least by the fact that the previous interparliamentary meetings have produced a rich common fund of proposals that have lost none of their potential practical value in the new geopolitical situation. Taking his cue from the Puebla proposals, the rapporteur is proceeding from the premiss that there is no alternative to an association in the true sense, assuming that there is a real desire to ensure that EU-LAC relations will occupy their rightful place. We have progressed beyond the stage of expounding the shared values by which we are united (and which, moreover, are still entirely relevant at the present time) and even of

determining the fundamental principles underlying our relations. Values and principles have provided the historical, cultural, political, and economic ties by which we are bound. We all support the aims and principles set out in the United Nations Charter; we have all undertaken to respect human rights, the rule of law, and fundamental freedoms; and we all favour multilateralism and multipolarity, and so on: these points have been stressed over and over again and are already more than sufficient to cement relations, as they are meant to do. What needs to be done now, therefore, is to build on these firm foundations to create the common home which, in the wake of the three summits held since 1999, has come to be termed the Biregional Strategic Association. Therein lies the significance of this report, which will thus be given over less to reflection than to political action: its role, then, is first and foremost to propose, putting forward as it does a wide range of proposals and recommendations for the Vienna Summit, stemming from an interparliamentary consensus and seeking to bring the present vague, insubstantial Strategic Association onto the factual plane, thereby reactivating it.

I. ***THE INTEGRATION PARLIAMENTS AND THE SUBSTANCE OF A GENUINE BIREGIONAL STRATEGIC ASSOCIATION***

1. **As regards establishing a real political and security association**

The EU-LAC Biregional Strategic Association differs from other essentially economic and trade-related processes, for example the FTAA, in that it is much broader and far more ambitious: it gives precedence to politics over economics and attaches all due importance to the social dimension, without ruling out the possibility of likewise pursuing a trading partnership for the mutual benefit of both sides. The idea is thus to launch a genuine **political and security association** to provide a biregional framework for peace and stability underpinned by fundamental principles such as respect for human rights, the primacy of the rule of law and democratic values, mutual security, and individual rights. The ten commandments adopted in Puebla on 19 March 2004 contained a whole series of proposals which still hold good in every way and should enable the Vienna Summit to take the necessary key decisions. The proposals refer, in the first place, to a new ***biregional political agenda*** to pave the way for real political dialogue focusing on subjects such as democratic governability and the consolidation of political parties, matters related to social cohesion and poverty reduction, international security and measures to combat drug trafficking, proceeding on a basis of shared responsibility, and terrorism, reform of the United Nations system, and conservation of the environment and natural resources. It will be necessary in addition to draw up a ***Euro-Latin American charter for peace and security*** to enable the partners to discuss matters that have long been put off, for instance full security and defence cooperation, whereby they would adopt joint codes of conduct, genuine cooperation as regards security-building measures, whereby work would be carried out jointly in a biregional conflict prevention centre, to be set up in Latin America, or cooperation for the purposes of humanitarian or rescue operations or of peacekeeping or peace enforcement operations under a UN mandate. Lastly, there are other proposals admitting of no further delay, including a ***review of the institutional workings of the Association***, which should be ***strengthened*** by setting up a ***Euro-Latin American transatlantic assembly***, whose membership would be drawn in equal numbers from the EP on the one hand and from PARLATINO, PARLACEN, Parlandino, the JPC, Mexico, and Chile on the other; a ***Euro-Latin American permanent secretariat*** should be set up to direct the Association's work between summits; ***the ministerial-level political dialogue should be updated*** to make it more active and effective; the Euro-Latin American ***Defence Ministers*** should hold ***regular ministerial meetings***; a ***Euro-***

Latin American consensus should invariably be sought *in the different international negotiating bodies*, especially in institutions and bodies working within the UN system and above all in the Security Council and the General Assembly; a *biregional business dialogue* should be officially established to enable business and political bodies from both regions to hold regular talks on economic, trade-related, and ecological subjects; and, finally, *innovative participation channels* should be adopted to enable *civil society* on both sides to keep track of the association agreements.

2. As regards economic and trade relations

The proposal to establish a *Euro-Latin American free trade area by 2010 at the latest*, put forward jointly in Puebla by both partners' integration parliaments, is the cornerstone in this context. The aim is one to be pursued according to a *'WTO-regionalism'-compatible model to be applied in two stages*: during the first stage, the *negotiations on the EU-Mercosur association agreement would be concluded* by the end of 2005; no later than at the time of the Vienna Summit, negotiations, which would not depend on the outcome, if any, of the WTO negotiations, would be opened with a view to concluding *association agreements with CAN and the Central American Integration System* along lines similar, with the necessary alteration of details, to the agreements signed with Mexico and Chile and being negotiated with Mercosur; and *the new 'GSP+' would apply to the Andean and Central American countries* until the above agreements entered into force. During the second stage, covering the period from 2006 to 2010 and intended to lead to a *global interregional association agreement* that would provide legal and institutional support and full geographical coverage for the different aspects of the Biregional Strategic Association, it would be necessary to *boost regional trade liberalisation* by consolidating, on the one hand, integration agreements in Latin America and, secondly, the association process linking the Union to all the partner countries and regional groupings; by 2010 *common rules* would need to be laid down for the EU and LA as a whole so as to guarantee free movement of goods, services, and capital, among other things, and create the widest possible free trade area, without losing sight of social cohesion objectives; and negotiations on the debt of the Latin American countries would need to be subject to better conditions making for sustained growth so as to lighten the heavy burden currently affecting the development and social well-being of many countries.

3. As regards social welfare and development cooperation

It is still more than ever the case, as the integration parliaments maintained at their meeting in Puebla, that, in addition to a substantial increase in resources, a genuine association requires a new development cooperation model designed to tackle inequalities, lessen the cost of adapting to free trade, and back up the public policies and private initiatives needed in order to undertake the deep-rooted economic integration that serves to establish a free trade area. The time has accordingly come for the Union to complement the action of its partners more effectively by launching *a more resolute and generous development cooperation policy*, focusing in particular on poverty reduction, education, culture, infrastructure, social welfare, health, and migration, in keeping with the common objective of attaining the Millennium Development Goals by 2015, as laid down in Guadalajara (point 39), and with the commitments entered into at the Monterrey Conference on Financing for Development in every sense of the word. Further steps are required over and above a new development cooperation policy: *the EU must*, for example, *gradually open up its markets* in line with the aims set out in the association agreements; a *biregional*

solidarity fund should be established; a specific legislative framework should be adopted to regulate *the Union's cooperation with LA according to a differentiated approach*; *EU* vocational training, education, and cultural *programmes should be opened up* to the Latin American countries; *scientific and technical cooperation programmes* should be promoted with a view to developing new and renewable energy sources and encouraging exchanges of scientists, engineers, and students; *institutional and tax reform programmes* should be supported; and *comparison should be brought to bear on given pension systems* with a view to achieving secure and sustainable pensions.

II. INDISPENSABLE CONTRIBUTIONS OF THE VIENNA SUMMIT TO THE BIREGIONAL STRATEGIC ASSOCIATION

The Fourth EU-LAC Summit in Vienna cannot hope to be a real success if its final declaration merely lists scores of good intentions and promises amounting basically to utterances. On the contrary, the rapporteur believes that the success of Vienna will depend above all on a series of commitments which, though limited in number, are central to certain points having a decisive bearing on the Biregional Strategic Association, for example:

1. Working together to achieve genuine multilateralism

The Guadalajara Declaration rightly stressed (in point 14) that it was essential to strengthen regional organisations in order to bolster multilateralism. This assertion is entirely consistent with the experience acquired in regional integration processes in Europe and Latin America and, as the integration parliaments see it, should lead the Vienna Summit to take three fundamental decisions:

(a) Firstly, the basic premiss has to be that the Biregional Strategic Association takes precedence over any attempt to favour bilateral approaches confined to particular partners. The distinct integration processes in Europe and Latin America have been underpinned from the outset by a deep-seated aspiration (generally a lesson learnt at great cost) to rise above the rivalries, fears, and conflicts of the past. Contrary to what occurred in previous centuries, the geopolitics of our 21st century are being determined to an ever greater extent by the relationships of interdependence that link the various regional blocs, for the most part within the multilateral United Nations framework. Furthermore, isolationism, even on the part of the most prosperous and powerful, is an impossible dream in today's globalised world. In this day and age politics, security, defence, diplomacy, trade, development aid, culture, and civilisation are concepts which intermingle with one another, and it has to be impressed on the collective consciousness that when dangers and threats affect all equally, the response has to be provided by all equally. In other words, bilateral relations between given partners can greatly strengthen the EU-LAC Strategic Association as a whole, but never pretend to replace it successfully. The establishment of the South American Community of Nations is accordingly to be welcomed, since, as far as South America is concerned, it could act as a policy coordination umbrella for various subregional integration systems such as Mercosur or CAN and hence become a particularly suitable partner for the EU. While awaiting the qualitative leap forward that would be brought about by the Euro-Latin American charter for peace and security proposed in Puebla, it would in addition be highly desirable if the Vienna Summit decided at least to set up a biregional conflict prevention centre in Latin America, as was also proposed in Puebla, to act as a joint body for swift, effective biregional cooperation on conflict prevention.

(b) Secondly, a decisive boost should be given to economic integration processes in Latin America by, on the one hand, opening negotiations on association agreements, including free trade agreements, with each of the Andean and Central American countries to be couched in terms similar, with the necessary alteration of details, to the agreements already concluded with Mexico and Chile and being negotiated with Mercosur, in keeping with the common strategic objective laid down in Guadalajara (point 52), although these negotiations should not depend on the outcome – should the case arise – of the WTO negotiations. The second means to the above end should be to extend the strategic objective of partnership to cover the biregional level, initially by embarking on a feasibility study on a global interregional association agreement and a Euro-Latin American free trade area, as distinct from the FTAA; these measures too were proposed in Puebla.

(c) Finally, a Euro-Latin American transatlantic assembly should be set up. As regards political dialogue in the parliamentary sphere, the most welcome sign of support that the Vienna Summit could give would be to establish a Euro-Latin American transatlantic assembly with a membership drawn equally from the EP on the one hand and PARLATINO, PARLACEN, Parlandino, the JPC, Mexico, and Chile on the other. A top-level political decision taken by the Summit would eliminate the need to revise the association agreements already in force and empower the integration parliaments to resolve the practical details connected with organisation of the assembly. To draw a parallel, what is being proposed amounts to the same procedure already used to successful effect to bring the Euro-Mediterranean Parliamentary Assembly into being (it now exists in reality), building on the Euro-Med parliamentary forums held since 1995 and on an EP proposal resolutely supported and encouraged by the previous Commission and first by the Spanish and later by the Italian Presidency. With the support of the new Commission and the future Austrian presidency, the first task of the new Euro-Latin American transatlantic assembly would, logically, be to continue to act as a forum for political debate, which has been carried on to complete satisfaction by the – to date – 16 biennial EU-LA interparliamentary conferences, attended since the first such conference, held in Bogotá in July 1974, by the EP and PARLATINO, and which largely make up the history of EU-LA relations because from 1974 and for 15 years thereafter they were the only setting in which officially established biregional political dialogue took place. The second task of the new assembly, a qualitative advance compared with the present interparliamentary conferences, should be to exercise parliamentary control in the transatlantic context of the Biregional Strategic Association and in particular over the different association agreements. Finally, the new assembly should be called upon to bring political scrutiny and control to bear on the Strategic Association, and, to that end, government representatives and Members of the Commission should appear regularly before it in order to brief it on summits, regional ministerial meetings, Rio Group meetings, and the like so as to ensure that the Biregional Strategic Association will be subject to genuine efficient democratic control. The new assembly should operate at plenary level and in such joint parliamentary committees as might be set up, including a number of specialised committees equal to the association agreements in force and other horizontal committees deemed appropriate. The assembly should meet in plenary sitting at least every year, whereas the various committees should be allowed to meet at least every six months. The new assembly would thus become the keystone of EU-LAC parliamentary political dialogue, alongside ministerial-level dialogue and the role to be played by civil society.

2. Fostering mutual social cohesion

Finally, joint action to bring about fairer and more cohesive societies requires at least three important practical measures that cannot be delayed beyond the Vienna Summit.

First of all, a biregional solidarity fund should be set up, as the EP has repeatedly called for. A modest (non-additional) contribution of €30 m from the Union's budget for Latin America could serve to prime the pump and, combined with the funds raised by the bodies (EIB, IDB, ADC, CABEI, World Bank, etc.) and countries concerned, could provide the necessary budgetary support of the order of, say, €500 m at the initial stage. More specifically, the fund could incorporate a Ferrero-Waldner facility based on exclusively financial contributions from the EIB and other relevant institutions. Assistance under the fund as such should be oriented towards management and financing of specific programmes initially to combat extreme poverty or related to health, education, and infrastructure in countries and regions with lower per capita income and greater social inequalities, and, later, to aid the Latin American countries as a whole. The fund could be coordinated by the Commission in collaboration with contributing bodies and countries, and the strategic guidelines for fund operations drawn up by the Commission's External Relations DG in collaboration with the above. In general terms, the moves to set up the fund follow on from various initiatives relating to innovative sources of financing to fight hunger and poverty and strengthen democratic governability, as listed in point 58 of the Guadalajara Declaration and including, for example, the international humanitarian fund suggested by Venezuela, the international financial fund proposed by the United Kingdom, and the initiatives to combat hunger and poverty put forward by Brazil.

(a) Secondly, joint undertakings need to be given to curb the ethnonationalism that is undermining the stability of partners on both sides of the Atlantic. This phenomenon is still causing tensions in Europe itself, primarily in the Balkans, which the Union, consistent with the factors that brought it into being, is seeking to counteract by offering the prospect of future integration of all the antagonists, thereby gradually defusing the present conflicts and instability. In the Latin American context, the phenomenon might be described more accurately as the inevitable consequence of the fact that indigenous people in some countries were left in oblivion for centuries. The best course of action is consequently to advocate full and genuine integration of the indigenous population into politics, the economy, and society in every country. The responsibility for bringing such integration about naturally falls to the Latin American partners, which, should they fail to fulfil it, would continue to be deprived of much of their political, economic, and trading potential, as well as seriously jeopardising their national cohesion and exposing themselves to the risk of a social divide, entailing dire consequences for their democratic stability and, in the most extreme cases, the very survival of their states. The first stirrings of indigenist irredentism and Messianism in several countries with large indigenous minorities clearly demonstrate the point. However, this matter also has significant implications for the basic structure of the Biregional Strategic Association in that, like ethnonationalism in Europe, it affects internal and external stability, security, and the ability of both partners to allocate resources. It is therefore to be hoped that the Vienna Summit will enter into decisive and verifiable commitments.

(b) Lastly, specific decisions need to be taken as regards migration, stemming from a proper, constructive, and effective debate on a subject of the extraordinary vastness revealed in recent United Nations reports. They should cover matters such as regulation, including measures to combat illegal immigration and the mafias which exploit it, and joint management. Other

decisions might relate to temporary migration policies, the introduction of a specific visa to facilitate the movement of entrepreneurs, academics, researchers, students, journalists, and trade unionists involved in the Euro-Latin American Association, the use of immigration to promote development in countries of origin (aid for immigrants' projects in their countries of origin etc.), and the launch of clearly defined integration policies in host countries for immigrants who have legally settled there.