

The Interregional Relationship Between the European Union and Latin America and the Caribbean

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The interregional relationship between the European Union and Latin America as well as the Caribbean in 2020 can be described as a ‘renewal’, given the relative loss of interest on both sides, which has prevailed in recent years. This relationship has a solid structure that has been built since the 1990s and it stands out from any other relationships between regions in the world. This study has four sections. The first one addresses the issue of the structure of the interregional relationship, which is characterised by asymmetry, but which does not fully represent the vertical-monolithic ‘North-South’ model. The second section focuses on the three strategic negotiating fronts that have been promoted: bilateral, subregional, and regional. The third section proposes the periodisation of the historical evolution of the relationship during its sixty years of existence, which went through four stages. Finally, in the conclusions I situate the interregional relationship in the framework of the ‘variable geometry’, imposed by the EU Strategy, which responds to the new ‘pragmatic’ approach to the EU’s foreign activities.

Keywords: interregional relationship, European Union, Latin America, the Caribbean, asymmetries, bi-regional summits, flexibility

Introduction

The interregional relationship between the European Union (EU) and Latin America and the Caribbean (LAC) in 2020 can be described as a ‘renewal’, given the relative loss of interest on both sides, which has prevailed in recent years, i.e. since after the bi-regional summit held in Brussels in 2015. In this scenario, the obligatory question is about what causes have generated the relative loss of interest from both sides in their bi-regional relationship. The answer is summarised in the following general hypothesis guided by this study: the interregional relationship is a process with unique characteristics, which began in the 1960s and has been advancing in stages from lesser to greater intensity, which has allowed the building of a solid structure, currently distinguished from any other relationships between regions of the world.

However, in the last five years there have been three types of problems that have caused the relationship to lose political-diplomatic relevance for both sides: firstly, the relationship-specific problems, such as the North-South ‘vertical vision’ sometimes assumed by the LAC countries; the division of the LAC states at the bi-regional summits arising from the ideological confrontation between right-wing and left-wing governments; the meagre results of these summits, where rhetorical documents with bombastic and unrealistic desires have been issued as well as the absence of roadmaps; the reduction of the EU’s historical market share in LAC by the greater commercial presence of China in the region; secondly, problems of an adverse international context, such as changes in the correlation of trade forces, the economic crisis of 2008–2016, new populist nationalisms, etc.; and, thirdly, internal problems in each region, e.g. Brexit in the EU or the case of the fractures in the Community of Latin American and Caribbean States (CELAC) related to the cases of Venezuela and Nicaragua.

The interregional relationship must be promoted towards a new stage of development in the third decade of the 21st century, which is about to begin, even in the context of the critical global economic situation that has been generated by the COVID-19 pandemic. As already mentioned, the EU–LAC relationship has a solid structure that has been built since the 1990s and it stands out from any other relationships between regions in the world.

This study is organised into four sections and concluding part. The first section addresses the issue of the structure of the interregional relationship, which is characterised by asymmetry – but which does not fully represent the vertical-monolithic ‘North-South’ model – between the developed region (EU) and the underdeveloped region (LAC), since the structure has its own specificities and qualities that make it unique in the economic, political, and ideological spheres, and are unmatched by other interregional frameworks.

The second section focuses on the three strategic negotiating fronts that have been promoted in the interregional relationship: bilateral, subregional, and regional. These fronts or levels are not mutually exclusive; on the contrary, they are complementary. However, in the last five years the relationship has focused on the bilateral and subregional fronts, leaving the regional one ‘on standby’.

The third section proposes the periodisation of the historical evolution of the interregional relationship based on the hypothesis that, during its sixty years of existence, it has gone through four stages: the initial one, a ‘low profile’ (1960–1985); the second one, the qualitative leap (1986–1998); the third one, i.e. the stage of bi-regional summits (1999–2015); and the fourth one, marked by ‘flexibility’ (2017 to date). Each stage was conditioned by the international context as well as changes and problems experienced by both the EU and the Latin American and Caribbean countries and their integration processes.

In the fourth section, a balance of the interregional relationship is reached, with the emphasis put on the commercial pillar, which is based on a wide and diverse coverage

of treaties that encompass the entire LAC, except Cuba, Bolivia, and Venezuela. However, the formal solidity of such coverage has been exposed to the free play of the market economy, where competition relations prevail, which is why both the EU and the LAC subregions and countries have increased and intensified their economic relations with China.

Finally, in the conclusions I situate the interregional relationship in the framework of the ‘variable geometry’ imposed by the EU, which is the most orthodox strategy within the flexibility theory and which seems to have set in for a long time. This strategy responds to the new ‘pragmatic’ approach to the EU’s foreign activities and focuses its efforts on updating trade agreements with the ‘more profitable’ partners, where economic expectations are more attractive. On the other hand, these initiatives show that for the European Union the interregional relationship with LAC has a special place in its renewed foreign policy.

The structure of the interregional relationship

The basic methodological principle to analyse all historical and social phenomena is, first, to specify their structure in order to be able to describe them and, second, to explain their moment, evolution, and changes over time. The structure of the interregional relationship between the EU and LAC is characterised by asymmetry, and its contradictions are manifested in all areas of the relationship. However, it does not fully represent the classic ‘centre-periphery’ scenario – nor does it represent the vertical-monolithic ‘North-South’ model – of the developed region (EU) versus the underdeveloped region (LAC), since the structure of this asymmetric relationship has specificities and qualities of its own that make it unique in the economic, political, and ideological spheres, and thus unmatched by other interregional frameworks. Also, their results have been beneficial to both parties.

In the economic sphere, despite the fact that the relationship exists between ‘blocks of countries’ characterised by substantial differences in terms of their relative economic development levels,¹ the situation of the structural dependence of an underdeveloped periphery and a developed hegemonic centre is not reproduced with all the economic, political, and social consequences, as is the case with the relationship between the vast majority of the LAC countries and the United States. Obviously, the asymmetric relationship favours the EU in terms of the economic, commercial, and financial exchange.

In the political sphere, the asymmetric relationship has many facets; here, however, I am interested in highlighting three aspects. The first one is that the relationship occurs between ‘blocks of countries’ whose nature as a political organisation differs by virtue of the fact that the EU is an international intergovernmental organisation (IGO)

¹ While the EU remains in the second place in world GDP – with the average of 20% (integrating the twenty-seven economies of its member states) and being preceded only by the United States – the set of thirty-three economic LACs reaches almost 8% of GDP.

supported by a binding agreement (currently the Treaty of Lisbon), with consolidated supranational bodies and bodies that distinguish it from any other regional integration structure in the world,² giving it an organisational and administrative strength as well as advantages in its interregional relations with LAC. In contrast to the ‘bloc’ of thirty-three countries, LAC has not managed to establish itself as an IGO and, therefore, it lacks any binding agreement. Faced with this situation, the EU has as its partner LAC, which is atomised into thirty-three sovereign states or, in the best of cases, into four subregional economic integration organisations,³ which do meet the formal requirements of IGOs, but lack the supranational bodies that the EU possesses.

The second aspect that reinforces the asymmetric relationship is that the EU has become the active party, which is why LAC has been subordinated to being the reactive party, but this should not be interpreted as a negative trait for the region; moreover, some LAC countries have not been entirely passive in the relationship. The active part is attributed to the EU insofar as its political initiatives and objectives have determined the course, rhythm, adjustments, and changes of the interregional relationship during its six decades of existence.

The third aspect of the political field, which is connected to the previous one, is the EU’s unilateral deployment of international cooperation programmes for the development of LAC; their plan, formulation, and scope in terms of amounts, themes, sectors, countries, and selected subregions are determined in the corresponding internal bodies of the EU. Obviously, since it is the EU that is the donor, its cooperation policies are based on objectives that favour the interests and presence in LAC of both the Union itself and its member states. However, this situation is secondary if the benefits that LAC has obtained from the EU’s cooperation policy towards the region are considered.

Regarding the asymmetric relationship in the ideological field, the processes of deepening and enlarging the EU recognised LAC as a regional counterpart, with whom the EU shares cultural and ideological identities as a result of the fact that several of its member states had long-lasting historical experiences of a ‘colonial pact’, especially Spain and Portugal, whose heritage in terms of language, religion, and political culture place Latin America and the Caribbean as part of the ‘Western World’.⁴ This has been capitalised on by the EU for the sake of the political-ideological

² Roberto Peña Guerrero, “La naturaleza de la Unión Europea como actor internacional,” *Perspectiva Integral* 6, no. 10 (Spring 2018).

³ The four subregional economic integration organisations are: the Central American Integration System (SICA), the Southern Common Market (MERCOSUR), the Andean Community of Nations (CAN), and the Caribbean Forum (CARIFORUM).

⁴ See: Carlos Malamud, *Las relaciones entre la unión europea y américa latina en el siglo XXI: Entre el voluntarismo y la realidad*. Working Paper, no. 6 (July 2010): 1, as well as José Briceño Ruiz, “The study of regional integration and regionalism in Latin America: Between European influence and self-thinking,” *Rev. Political Analysis*, no. 94 (September–December 2018), 57–58. According to José Briceño, Latin America “claims the status of being Western”. However, he adds that opinions on the region’s membership in the Western culture vary: on the one hand, Samuel Huntington considers Latin America not part of the Western civilisation,

course of its neoliberal project in intraregional relations, the implementation of which began in the mid-1980s and consolidated in the beginning of the following decade, i.e. a period in which the vast majority of the LAC countries moved towards democratic regimes and respect for human rights,⁵ and implemented neoliberal economic reforms consisting of: trade openness, reduction of the state apparatus, economic privatisation, deregulation, and reestablishment of macroeconomic balance, with special emphasis on fiscal balance.⁶ All this has favoured the political dialogue promoted by the EU, which has been one of strategic bastions maintained to date.

The worldwide projection of a successful image of the then European Community (EC) was linked to the relevant role that the integration process had in the development of the international economy, in particular its participation in the structural adjustments of the capitalist system in the 1980s, supported by the instrumentation of neoliberal economic policies.

As noted, the asymmetric structure of the EU–LAC interregional relationship has its own specificities and qualities that make it unique. Such distinctions make the ‘North–South’ relationship more flexible, but this does not eliminate the asymmetries. This clarification is made, because it is assumed in the political and academic debates that one of the aspects that has hindered and slowed down the progress of the interregional relationship is the North–South ‘vertical vision’ shared by the LAC countries and manifested in the bi-regional summits, which has contributed to the impasse in which the continuity of this forum has found itself since 2017. In this regard, the recommendation of some analysts is that in order to overcome the impasse or ‘fatigue’ of the bi-regional relationship, the ‘North–South’ vision should be left behind in favour of a horizontal relationship between equals.⁷ However, the structural essence of this relationship, namely the asymmetry (the condition of existence of this relationship), cannot be eliminated from an analysis with academic rigour, because it would mean accepting that the structural contradictions of the socio-historical processes are the product of the political and ideological voluntarism of the participating actors. It should be remembered that historically it was Europe – and currently the EU – that has had a tradition of studying socio-economic asymmetries within each state and between states, as well as public policies to temper those, such as the welfare state models in each country and the EU cohesion funds.⁸

while on the other hand Alain Rouquié sees the region in terms of the ‘Far West’, and Marcello Carmagnani calls it the ‘Other West’. I assume that Latin America is part of the Western culture.

⁵ Lorena Ruano, “La Unión Europea y América Latina y el Caribe: Breve historia de la relacional birregional,” in *Revista Mexicana de Política Exterior* (México: Instituto Matías Romero, 2018), 73.

⁶ Mónica Hirst, “Condicionantes y motivaciones del proceso de integración y fragmentación en América Latina,” *Rev. Latinoamericana* 175 (January–February 1992), 26.

⁷ José Antonio Sanahuja, *La UE y CELAC: Revitalización de una estratégica* (Hamburg: Fundación EU–LAC, 2015), 20–21.

⁸ Roberto Peña Guerrero, “Las Políticas sociales de la Unión Europea y México: Promotoras de la inclusión social,” in *México-Unión Europea: políticas sociales y gobernabilidad* (México: Universidad Nacional Autónoma de México, 2010b), 21–54.

Strategic fronts of the interregional relationship

The strategy followed by the EU in LAC has been deployed on three fronts: bilateral, subregional, and regional. These fronts or levels are not mutually exclusive; on the contrary, they are complementary. The bilateral one is placed between the EU and each LAC state individually, thus presenting a different and variable situation regarding the particular historical development of the relationship of each of the thirty-three LAC states with the EU. For example, the EU–Mexico relationship has a unique historical experience, which differs from that of the other thirty-two LAC states. Then, the subregional front is situated between the EU and each of the LAC subregional integration processes separately: the Central American Integration System (SICA), the Southern Common Market (MERCOSUR), the Andean Community of Nations (CAN), and the Caribbean Forum (CARIFORUM). Finally, the regional front is located between the EU and the LAC region made up of its thirty-three states, which is promoted by the EU through the so-called ‘bi-regional summits’.

Before the regional strategic front was opened at the first summit in 1999, relations had been developed through bilateral and sub-regional formats. The former one began through the reciprocity of the individual initiatives undertaken by some Latin American countries in order to establish relations with the European Community (EC), recently created with the entry-into-force of the Treaties of Rome in 1958 as well as the institutionalisation efforts implemented by the EC itself to formalise relationships. In this bilateral format, the cases of Mexico⁹, Brazil¹⁰, and Chile¹¹ have continued to stand out for their historical continuity since the 1960s to the present day. In fact, out of the thirty-three LAC states, only these three are considered by the EU as strategic allies.

Then, the subregional strategic front began in 1972 with the Andean Community of Nations (CAN), the only formal subregional organisation that existed. Between 1972 and 1982, the EC focused on promoting trade relations in the agricultural and energy sectors within the framework of its general system of preferences (GSP), but as of December 1983, the formalisation process began, linked with the negotiation of the first cooperation agreement, which was in force until February 1987.¹² Central

⁹ Roberto Peña Guerrero, “Fortalezas y debilidades de las negociaciones México-Unión Europea: Diez años del Acuerdo Global,” in *Logros y Retos a diez años del Acuerdo Global México-Unión Europea*, eds. Marie-Ane Coninx et al. (México: UNAM, 2010a), 78–81.

¹⁰ Ana Isabel Rodríguez Iglesias, “La Asociación Estratégica UE–Brasil. Retórica y Pragmatismo en las relaciones Euro-Brasileñas,” Working Paper, no. 36/2010, 24–37, Serie Unión Europea, Instituto Universitario de Estudios Europeos Universidad de San Pablo, Brasil.

¹¹ Lorena Oyarzún Serrano, “La unión Europea y Chile: Particularidades y contenidos de una relación bilateral,” in *La Unión Europea en América Latina y el Caribe (1945–2012)*, ed. Giovanni Molano Cruz (Bogotá: Universidad Sergio Arboleda, 2013), 85–91.

¹² Florabel Quispe-Remón, “Las relaciones entre la Unión Europea y la Comunidad Andina de Naciones: Los tratados de libre comercio,” in *Revista Iberoamericana de Estudios de Desarrollo* (Madrid: Universidad Carlos III de Madrid, 2019), 10–11.

America appeared on the EU's radar in the 1980s, i.e. when it supported the peace process in the region within the framework of the San José Dialogue. However, it was only in the following decade that the EU's subregional strategy obtained concrete results through the signing of framework agreements with Central America and the CAN in 1993, and with the Mercosur in 1995, as well as through the creation of the CARIFORUM in 1992.

Unlike in the case of the EU, the existence of a strategy on the part of LAC as a whole could not be observed in relation to the EU, since its thirty-three states are not integrated into any formal international intergovernmental organisation supported by a binding agreement or treaty, as is the case with the EU.¹³ Notwithstanding this situation, the LAC countries 'regrouped' in 2011 in the informal, non-binding organisation called 'the Community of Latin American and Caribbean States' (CELAC), which has been recognised by the EU as a counterpart and interlocutor in bi-regional summits, to the extent that the last two sessions held were called 'CELAC–EU Summits'. However, the CELAC has only served to give them an 'artificial format' of Latin American and Caribbean regional representation vis-à-vis the EU, since it has not had the mechanisms and bodies to coordinate and represent the thirty-three member countries around the definition and development of common negotiation strategies with any international actor, including the EU.

Regarding the relationship of the LAC subregional integration processes with the EU, all LAC states have maintained a passive stance or, in the best of cases, a reactive one in the face of initiatives promoted by the EU. None of them has applied a specific strategy to strengthen and/or deepen ties with the EU. This is largely due to the fact that none of the LAC subregional organisations has managed to advance towards deeper stages of integration. They do not have supranational bodies such as the EU. However, subregional organisations have been favoured, because the EU has maintained as one of its strategic principles a preference for its relations with these organisations, as this stimulated and reinforced its integration processes, which is one of the political objectives the EU has maintained to date.

Within this general framework of strategies of both parties in intra-regional relations, it is necessary to include strategies promoted individually by the EU member states, which in several cases comprise initiatives that strengthen, justify, and give meaning to both the relations themselves and the presence, tasks, and activities of the EU's diplomatic delegations in the LAC countries.

¹³ In relation to the nature and character of the EU as an international intergovernmental organisation supported by a binding agreement, currently the 'Lisbon Treaty', cf. Roberto Peña Guerrero, "The nature of the European Union as an international actor," *Integral Perspective Magazine*, no. 10 (Spring 2018).

Stages of the interregional relationship

The interregional relationship has been positive for both parties and has gone through four stages: the initial one, a ‘low profile’ (1960–1985); the second one, i.e. the qualitative leap (1986–1998); the third one, i.e. the stage of bi-regional summits (1999–2015); and the fourth one, marked by ‘flexibility’ (2017 to date). In all of them, the contradictions of asymmetric relations are manifested with varying intensity, with the strategies and objectives of the EU prevailing. Likewise, each stage has been conditioned by the international context and the changes and problems experienced by both the EU and the Latin American and Caribbean countries as well as their subregional integration processes.

The first stage – a ‘low profile’ (1960–1985)

It was the stage that has spanned the longest years – from the early 1960s – as an effect of the entry-into-force of the Treaties of Rome in 1958. It began with the formalisation of diplomatic representations between the European Community (EC) – today the European Union – and some Latin American countries (Mexico, Brazil, Chile), and even the institutionalisation of the ‘San José Dialogue’ in its second meeting, held in Luxembourg in 1985,¹⁴ which was the product of the EC’s involvement in the Central American peace process. I chose to call this stage a ‘low profile’, because the relationship with Latin American countries was limited to foreign trade being subjected to the EC’s Generalised Scheme of Preferences. Furthermore, during the first two decades of the period, Latin America did not figure on the EC’s external agenda, which was concentrated only on non-Spanish-speaking Caribbean States and territories that were incorporated in 1975 into the ACP group (Africa, the Caribbean, and the Pacific), with whom the EC maintained strong post-colonial ties.¹⁵ This scenario aimed in particular at the English-speaking Caribbean and responded to the interests of the United Kingdom, which joined the European Communities in 1973, together with Ireland and Denmark, in the first enlargement of the EU, upgrading it from six to nine member states (later, in 1981, the second enlargement would take place with the entry of Greece).

One aspect to consider in relation to the last years of this stage – which already corresponds with the first half of the 1980s – is that by that moment the external debt crisis had ‘detonated’ (in 1982), which throughout the decade dragged LAC to its worst economic crisis in its contemporary history, classified by the ECLAC as the ‘lost decade’.¹⁶ At the same time, it was the period of a greater presence of the EC in LAC,

¹⁴ The first meeting was held in San José, Costa Rica, in 1984.

¹⁵ Lorena Ruano, “La Unión Europea y América Latina y el Caribe: Breve historia de la relacional birregional,” in *Revista Mexicana de Política Exterior* (México: Instituto Matías Romero, 2018), 72–73.

¹⁶ See: Luis Maira, “América Latina y el nuevo escenario internacional,” *Revista Mexicana de Política Exterior* 31 (Summer 1991): 13, as well as Roberto Peña Guerrero, “Los proyectos latinoamericanos: ¿Libre comercio integración fragmentada?,” *Rev. Relaciones Internacionales* 56 (October–December 1992), 56.

with its participation in the pacification process in Central America and the negotiation of the first cooperation agreement with the CAN in 1983.

The second stage, i.e. the ‘qualitative leap’ (1986–1999)

It began with the entry of Spain and Portugal to the EU in 1986 – the same year that the Rio Group was created – and ended in 1999 with the holding of the first EU–LAC bi-regional summit. I consider this stage as a ‘qualitative leap’, because with the entry of Spain and Portugal in the third enlargement, the EU increased its interest in LAC and promoted a process of building an ambitious agenda that permeated the entire stage, which changed the conditions of a weak intra-regional relationship, making it a strong one, which, even with ups and downs, continues to the present day. Spain is recognised as the key actor that influenced the promotion of the aforementioned agenda, whose first official record is the document adopted in 1987 by the Council of Ministers of the EC, called ‘Conclusions of the Council of Representatives of the Governments of the Member States on Relations between the Communities and Latin America’,¹⁷ in which it was recommended that an agreement should be reached on a joint strategy to reinforce interregional political, economic, and cooperation relations.¹⁸

Another relevant aspect of this second stage was entry on the scene of the Rio Group in 1986¹⁹; it would become the ‘vector’ which called, shaped, and led the organisation of the LAC countries during the thirteen years that this stage covered. Since its creation, the Group has grown in presence both in the LAC region itself and within the EU. According to the European Commission, within four years the ‘Rio Group’ had become ‘the main Latin American political forum for dialogue and concrete promotion of integration’, and by 1993 it had already been ‘officially’ recognised by the EU as ‘an authentic interlocutor for Latin America at the international level’.²⁰

Parallel to the growth of the Rio Group and to the development of its regular meetings with the EU, the latter carried out throughout this second stage several initiatives to strengthen its relations both at the bilateral level with several LAC states as well as at the subregional level with each of integration processes within LAC. Among the initiatives that confirm the EU’s interest in strengthening intra-regional relations,

¹⁷ The EU Council of Ministers: “Conclusions of the Council and of the Representatives of the Governments of the Member States on Relations between the Communities and Latin America,” 7120/87 (Presse 110), of 06/22/1987.

¹⁸ Ana Isabel Rodríguez Iglesias, “La Asociación Estratégica UE–Brasil. Retórica y Pragmatismo en las relaciones Euro-Brasileñas,” Working Paper, no. 36/2010, 29, Serie Unión Europea, Instituto Universitario de Estudios Europeos Universidad de San Pablo, Brasil.

¹⁹ The Group was created in 1986, when eight States signed the “Declaration of Rio de Janeiro” – four that formed the ‘Contadora Group’ in 1983 to promote peace in Central America (Mexico, Panama, Colombia, and Venezuela) and four that formed the ‘Lima Group’ or the ‘Support to the Contadora Group’ (Brazil, Argentina, Peru, and Venezuela). It is an informal, non-binding group, i.e. it lacks a treaty.

²⁰ The European Commission, “EC-Rio Group Relations”. Information note (Memo 93/16), April 22, 1993, https://ec.europa.eu/commission/presscorner/detail/en/memo_93_16.

the following stood out: the establishment of diplomatic relations with Cuba in 1988; the incorporation of the Dominican Republic and Haiti into the Lomé Convention in 1989; the creation of the CARIFORUM in 1992; the framework agreements with the CAN in 1993, with the Mercosur in 1995, and with Chile in 1996; the signing of the Agreement on Economic Association, Political Concentration, and Cooperation with Mexico in 1997 (entered into force in 2000); and, finally, the celebration of the First Summit of the EU–LAC Heads of State and Government in Rio de Janeiro in 1999, where the ‘Bi-regional Strategic Association’ was created.

During the second stage, the most important world event of the second half of the 20th century occurred, which generated profound changes in the international correlation of forces at all levels, but particularly in the context of regional forces in Europe, namely the end of the Cold War. Faced with this new scenario, the EU would respond through a series of actions and internal restructuring measures to meet the initiatives aimed at deepening its integration and the expectations of its expansion.²¹

To sum it all up, in the qualitative leap stage three factors were combined that established the foundations for moving towards a new stage of the EU–LAC relations, namely: the signing of bilateral and subregional trade agreements covering the whole of Latin America and the Caribbean; a broad and diversified development cooperation; and a political dialogue at the highest level through launching bi-regional summits. It was from the moment of entry on the scene of this forum in 1999 that the interregional relationship was formalised and given meaning and structure. Thus, from the mid-1980s and throughout the 1990s, the aforementioned factors triggered the process of rapprochement between the EU and LAC, whose solid foundations have deepened and maintained the binding inertia to date.

The third stage – the ‘bi-regional summits’ (1999–2017)

This stage, in turn, began with the First Summit of the EU–LAC Heads of State and Government in Rio de Janeiro – an event that is considered a ‘hinge’ between stages, since with its celebration the second stage ended and the third one began. The latter stage came to an end in 2017, with the cancellation of the 9th bi-regional summit, scheduled to be held that year in El Salvador. It is called the stage of ‘bi-regional summits’, because it focused on meetings at the highest level, attended by the Heads of State and Government of all the EU member states and the thirty-three states of LAC; they were intended to figuratively symbolise the relationship between both regions. The bi-regional summits have been the most ambitious forum to which the EU has aspired in its relations with LAC.

²¹ Juan José Martín Arribas, ed., “Introducción,” in *La asociación estratégica entre la Unión Europea y América Latina* (Madrid: Catarata, 2006), 20.

The bi-regional summit forum was formalised through periodic meetings every two years, beginning from 1999. To date, eight of them have been held, with the last one in 2015. During the first six summits, the following *sui generis* format prevailed: a unitary actor, the EU, vis-à-vis thirty-three counterparts, the LAC countries. However, this format was modified when the Community of Latin American and Caribbean States (CELAC) entered the scene as an informal, non-binding organisation that ‘regrouped’ the thirty-three LAC states in 2011. It was recognised by the EU as a counterpart and interlocutor in bi-regional summits, which was why they took the ‘classic format’: a unitary actor, the EU, compared to another ‘unitary’ actor, CELAC. Hence, the last two meetings held were called the ‘EU–CELAC Summits’. Nevertheless, the change in format did not cause the summits to deepen the bi-regional relationship, since – although it was expected that with the entry into the scene of CELAC progress would be made in the internal regional cohesion of LAC – this organisation did not manage to form a unified bloc of concentration and regional action as desired and encouraged by the EU itself.

The agenda of each summit varied and was adjusted to the proposal of topics that the host state promoted, as it was in charge of the Pro Tempore Secretariat for that moment. For example, the summit that has had the fewest topics was the one held in Spain in 2002, with thirty-three topics, while the one that took place in Mexico in 2004 registered 114 topics (see Table 1).

Table 1. Summits and variable agendas

Bi-regional summits: European Union–Latin America and the Caribbean			
Summit	Year	Place	Topics
I	1999	Rio de Janeiro, Brazil	55
II	2002	Madrid, Spain	33
III	2004	Guadalajara, Mexico	114
IV	2006	Vienna, Austria	59
V	2008	Lima, Peru	57
VI	2010	Madrid, Spain	43
VII	2013	Santiago, Chile	48
VIII	2015	Brussels, Belgium	75

Source: Declarations of the bi-regional Summits European Union–Latin America and the Caribbean, 1999–2015.

The agenda and its breakdown of topics, proposed by the host state, had previously been consulted and endorsed by all parties, and recorded in the final document issued at the end of each forum, which was called the ‘Summit Declaration...’. In this document, the topics and the approach to them were listed at each summit, with their importance and frequency of recurring in the political dialogue at the highest level taken into

account. In the order of their recurrence in all eight summits, Table 2 below lists sixteen topics, out of which the most frequently addressed ones have been: democracy and human rights, trade, bi-regional cooperation, social cohesion (poverty), sustainable development, and climate change.

Table 2. Topics in the eight summits

Eight bi-regional summits UE–ALC	
Topics	Appeared at summits
Bi-regional cooperation	6
Climate change	5
Commerce	6
Democracy and human rights	7
Economic crisis	2
Education, science, and technology	4
Energy	4
Gender	3
International security	2
Migration	3
Multilateralism	4
Organised crime	2
Regional integration	4
Social cohesion (poverty)	6
Sustainable development	5
Terrorism	4

Source: Declarations of the bi-regional Summits European Union–Latin America and the Caribbean, 1999–2015.

Despite the political relevance of the summits, the bi-regional relationship has not been raised to the level of priority for any of the parties, which is reflected in the agenda of the meetings, which have focused on the political-institutional dialogue, where rhetorical documents have been issued with bombastic and unrealistic wishes, accompanied by the absence of roadmaps. This discouraging balance between the summits has raised serious doubts about the relevance of continuing this forum. In addition, a problem that has contributed to the impasse in which this forum finds itself, and that has been presented at all summits, with or without the CELAC, has been the division of the LAC states, stemming from the ideological confrontation between right-wing and left-wing governments, which has resulted in a deep polarisation around the political crisis in Venezuela, where the EU has also taken a position.

The polarisation around the case of Venezuela led to the breakdown of the CELAC, as fourteen LAC countries joined the so-called ‘Lima Group’, which met in the Capital of Peru in August 2017 and issued a document condemning the breakdown of the democratic order in Venezuela as well as appealed for its urgent restoration. The rupture of the CELAC strengthened the trend against the relevance of continuing the summits, cancelling the one scheduled for October of that year in El Salvador.

However, the case of Venezuela is only one of various problems that the summits had to face during the eighteen years of that stage of the interregional relationship, which was conditioned by changes in world trade and, especially, by the international economic crisis that began in 2007 in the United States, configuring a complex context that has influenced the development of endogenous regional integration processes in both the EU and LAC in different ways.

During this period, the EU faced significant challenges in its enlargement and deepening policies. In 2004, the extension towards Eastern Europe took place, with the incorporation of ten states: the Czech Republic, Cyprus, Slovakia, Slovenia, Estonia, Hungary, Latvia, Lithuania, Malta, and Poland. In addition, Romania and Bulgaria joined in 2007 and Croatia in 2013, upgrading the EU to twenty-eight member states. The enlargement towards Eastern Europe implied a geopolitical change of the borders of the EU, which reduced its interest in LAC. Furthermore, with the exception of some of these states, such as the members of the Visegrad Group,²² their historical relations with the LAC countries are either non-existent or of a very low profile, which did not favour the interregional relationship with LAC.

As soon as the Lisbon Treaty entered into force, the international financial and economic crisis that began in 2007 in the United States manifested itself in a profound way in the EU, particularly in the countries that participate in the euro system. This crisis dominated the recent history of the EU. It exposed the structural weaknesses of the euro system, which dragged all the member states into difficult economic situations, the culmination of which was the Brexit phenomenon. In addition to the economic crisis, which seemed almost over in 2015, at the beginning of the Brexit process problems of various kinds emerged, e.g. unemployment, migration, terrorism, populism, xenophobia, energy security, democratic deficit, etc. As a whole, such problems threatened the institutional stability of the EU.²³

In the case of LAC, the economic crisis did not have the same impact as it did in the EU, which was due to more efficient macroeconomic policies, continuous growth rates, and the international revaluation of the main raw materials exported by

²² Roberto Peña Guerrero, “Relaciones de México con los países del Visegrado,” in *La relación de México con la Unión Europea en el marco de sus ampliaciones*, eds. Roberto Peña Guerrero and Teresa del Socorro Pérez Rodríguez (México: Universidad Nacional Autónoma de México, 2016), 134–136.

²³ César Molinas and Fernando Ramírez, *La crisis existencial de Europa: ¿Es la Unión Europea el problema o la solución?* (Bilbao: Deusto, 2017).

the countries in the region.²⁴ Therefore, no Latin American economy was subjected to austerity and adjustment programmes in the way that the European ones were, with the effect that the problems of poverty and social exclusion in the region continue to be serious there, unlike in Europe.

The bi-regional-summits phase began with great optimism, but ended with pessimism due to the meagre results of this forum, to the point of questioning its future viability. It should be noted that since long before the cancellation of the summit scheduled for 2017, the EU had been reviewing its general foreign policy strategy in the fields where adjustments to the interregional relationship had already been anticipated.

The fourth stage, marked by ‘flexibility’ (2017 to date)

This phase began with the cancellation of the bi-regional Summit scheduled to be held in El Salvador in 2017, and continues to date. I choose to call it the ‘flexibility’ stage, because the EU, as the active and dominant part of the relationship, has been adopting a more pragmatic stance to maintain and strengthen its ties with LAC, either at the subregional level or bilaterally with specific countries – without privileging any of these strategic negotiating fronts – where agendas and issues of mutual interest between the parties can be articulated and agreed upon. Under this new approach, the regional strategic front based on bi-regional summits has been eliminated or, in the best of cases, suspended.

This current stage of flexibility highlights and overcomes the dilemma which the EU’s doctrine had faced in its relationship with LAC since the 1990s, namely the fact that – in its traditional effort to promote regional integration – the EU had maintained the theory that it only negotiated with subregional integration entities and resisted doing the same with individual countries.²⁵ However, the concrete foundations of the interregional relationship have been about the combination of bilateral and subregional agreements.

On the other hand, it must be taken into account that the EU has a long tradition of planning and applying flexible policies in scenarios where a diversity of economic conditions and a plurality of political positions prevail, as is the case with differences between the member states of the European Union; this has promoted the development of the ‘theory of flexibility’ for several decades now²⁶ as one more general theoretical heritage of European integration.

²⁴ Carlos Malamud, “América Latina 2011: Sorteando los efectos de la crisis económica, buscando una mayor inserción internacional,” in *Panorama Estratégico 2012*, ed. Ministerio de Defensa (Madrid: Instituto Español de Estudios Estratégicos y Real Instituto Elcano, 2012), 197–201.

²⁵ Carlos Malamud, *Las relaciones entre la unión europea y américa latina en el siglo XXI: Entre el voluntarismo y la realidad*. Working Paper, no. 6 (July 2010), 31.

²⁶ The theory of flexibility comprises what has been called “Europe of different speeds”, “Europe on demand”, “Europe of variable geometry”, or “differentiated integration”. One can consider as pioneering

I believe that for LAC – in correspondence with its diversity of relative economic levels and the political plurality among its countries – the flexible policy that the EU has been implementing at the bilateral and subregional levels has been, to some extent, favourable, since concrete progress has been made in recent years in renewing and updating the existing agreements as well as concluding new ones. The EU has paid special attention to updating all the trade agreements it had signed with LAC. In this context, some negotiations stand out. On the one hand, subregional negotiations were held on the new agreement with the Mercosur and concluded in June 2019, and, on the other hand, bilateral negotiations were held on the updating of the Global Agreement with Mexico. Both were finalised in 2018 and both are currently in the legal reviewing phase; it is estimated that they will be signed at the end of the year 2020, which will enable the start of the ratification process by the EU member states.

The international context in which all the updating processes of the EU agreements with LAC have been carried out has not favoured the ideal functioning of the international trade regime, which for many analysts had been consolidated in 1994 with the creation of the World Trade Organization (WTO). Among the elements that characterise this context, the following stand out:

- a new correlation of economic forces, where the so-called emerging economies²⁷ have increased their participation in international trade, in which context China should be distinguished, whose economy in the world's GDP went up from 2%–3% in the 1980s to 20% today;
- a return to protectionist policies, where two economic powers, the United States and the United Kingdom – which, paradoxically, were the promoters of neoliberal globalisation – are now adopting nationalist initiatives;
- a readjustment of the global cooperation agenda through replacing the 'Millennium Development Goals' programme at the UN in 2015 with the '2030 Sustainable Development Goals' programme.

This adverse global context reshapes the complex endogenous scenario that the EU has been going through recently, in particular in the form of the Brexit process, which has kept it busy and concerned since the results of the referendum in the United Kingdom on 23 June, 2016, a terrible date for the EU. However, in the face of this adverse exogenous and endogenous scenario, the European Union has responded with a new project to readjust and fully adapt its external relations, which practically begins with the 'Global Strategy for Foreign and Security Policy' of June 2016, presented by the then High Representative Federica Mogherini shortly after the referendum had been held in the United Kingdom. This Strategy is more reactive and pragmatic, since instead of aspiring to the leadership of the world it tries to adapt to the different crises

the studies of this theoretical current by Louis Armand and Drancourt, Michel La bet *Europea* (1969) as well as Willy Brandt "Rede des Vorsitzenden der Sozialdemokratischen Partei Deutschlands" vor der Organisation Française du Mouvement Européen in Paris am 19 (1974).

²⁷ Integrated in the BRICS group: Brazil, Russia, India, China, and South Africa.

that are occurring and only seeks to advise or supervise and govern indirectly through diplomatic actions and agreed initiatives.²⁸

The ‘Global Strategy’ promotes a process for evaluating the results of the EU’s foreign activity, which led to the approval of the so-called ‘European Consensus on Development’ (CED) in January 2017.²⁹ It has been the central instrument for developing a total ‘administrative reengineering’ of the EU’s relations with the world, framed in a new narrative of its cooperation policy based on the segmentation (differentiation) strategy of four types of countries: emerging (non-aid recipients); upper-middle-income or ‘graduates’ (recipients of grant aid); poor (candidates for official development aid); and ‘fragile’ (requiring official development assistance).

In this framework, the LAC region is subjected to a meticulous review and a ‘differentiation’ of the countries is made based on the relative economic development of each of them, i.e. on their national income. The result is that out of the total of thirty-three Latin American states, the EU has awarded the status of upper-middle-income countries to eleven: Argentina, Brazil, Chile, Colombia, Costa Rica, Ecuador, Mexico, Panama, Peru, Uruguay, and Venezuela. The remaining twenty-two countries are among the poor and fragile segments.

The CED influenced the elaboration of the project of the Multiannual Financial Framework (MFF) 2021–2027, whose negotiation between the twenty-seven member states was concluded last July, allocating a historical amount of 1.1 billion euro. In addition, a recovery fund for 750 billion euro was approved in order to alleviate the economic damages generated by the COVID-19 pandemic.³⁰ The bad news for LAC is that in the MFF proposal, which refers to international cooperation by geographical programmes, the smallest funds were assigned to ‘the Americas and the Caribbean’, which at constant prices reached the amount of 3,540 million euro, i.e. well below other regions of the world, as can be seen in Table 3. Resources could be added to the allocated amount through ‘thematic programmes’ (human rights and democracy, civil society organisations, peace and stability, and global challenges).

As can be seen, the allocation for Latin America and the Caribbean – provided for in the IVDCI agreement in the amount of 4,000 million euro at current prices – is 12% less in real terms compared with that allocated in the previous period, and is less than half of that planned for Asia and the Pacific, i.e. regions which will be endowed with 10,000 million euro.³¹

²⁸ Pol Bargañés-Pedreny, *La polarización de la acción exterior: ¿Una sombra sobre la visión pragmática de la UE?* (Barcelona: CIDOB, 2019), 2.

²⁹ José Antonio Sanahuja and Erika Ruiz Sandoval, “La Unión Europea y la Agenda 2030 en América Latina: Políticas de cooperación en una región de ‘desarrollo en transición,’” Working Paper, 8/19, 2019, 4–8.

³⁰ Bernardo de Miguel and Luis Pellicer, “La UE pacta un salto histórico en su modelo presupuestario para frenar la crisis de la covid-19,” in *El País*, 27 July 2020, <https://elpais.com/economia/2020-07-21/la-ue-pacta-un-salto-historico-en-su-modelo-presupuestario-para-frenar-la-crisis-de-la-covid-19.html>.

³¹ Sanahuja and Sandoval, “La Unión Europea y la Agenda 2030,” 18.

Table 3. Proposals for instruments in Item VI and allocation of funds 2021–2027 (billions of euro)

Item VI	Allocated funds (current prices)	Allocated funds (constant prices)
The Neighbourhood, Development and International Cooperation Instrument (NDICI)	89.200	8.950
• The geographical pillar	68.000	60.186
– Americas and the Caribbean	4.000	3.540
– Asia and the Pacific	10.000	8.851
– Neighbourhood	22.000	19.472
– Sub-Saharan Africa	32.000	28.323

Source: José Antonio Sanahuja and Erika Ruiz Sandoval, “La Unión Europea y la Agenda 2030 en América Latina: Políticas de cooperación en una región de ‘desarrollo en transición,’” Working Paper 8/19, 2019, 19.

A balance of the interregional relationship – the ‘commercial pillar’

At present, the formal structure of the interregional relationship is based on a wide and diverse coverage of treaties in force that encompass the entire LAC, where the agreements that regulate trade relations stand out, with the exception of Cuba, Bolivia, and Venezuela. The current trade agreements – as well as those that are being updated and the new ones, for which negotiations have been concluded – include the following:

- the Agreement with the Andean Community, signed in 2012 only with Colombia and Peru. Ecuador joined it in 2017 and Bolivia remains out of it, retaining its participation in the EU’s GSP;
- the Association Agreement with Central America, signed in 2012, applying the commercial pillar only ‘provisionally’ since 2013, as the Agreement is still awaiting ratification. Despite the ‘provisional application’ of the trade pillar, the European Commission is scheduled to review and update it in the last quarter of this year or the first quarter of 2021³²;
- the Economic Association Agreement with the CARIFORUM, in force since 2008, incorporating the principle of reciprocity in the EU’s trade relations with the ACP countries. In February 2019, the European Commission launched an evaluation of the 2013–2018 period and of the impact on sustainable development, which will be incorporated into the joint review of the Agreement, scheduled to take place in 2020³³;

³² “Trade with the six Central American countries: Assessment,” *European Commission*, May 13, 2019.

³³ “Evaluation of the CARIFORUM Economic Partnership Agreement,” *European Commission*, July 19, 2018; “Ex-post evaluation of the EPA between the EU and its Member States and the CARIFORUM

- the Political Dialogue and Cooperation Agreement with Cuba, signed in 2016 and applied provisionally since November 2017, until it is ratified by all the EU member states;
- the Interregional Cooperation Framework Agreement with the Mercosur, in force since 1999, originally conceived as the basis for negotiating a more ambitious bi-regional association agreement which would divide free trade between the parties. After two decades of unsuccessful negotiations, an ‘agreement in principle’ was finally reached in June 2019; it is currently in the legal reviewing phase and is expected to be signed by the Council and the European Parliament at the end of the year 2020 so that the ratification process by the EU member states can start;
- the Economic Association, Political Agreement, and Cooperation Agreement with Mexico (Global Agreement), in force since 2000, which served as a model for the Association Agreements that the EU signed with other Latin American countries. Since 2013, works have begun to modernise the commercial pillar, which led to the negotiation of a new and updated Global Agreement in 2016, which was finalised in 2018 and went through to the legal reviewing phase. Last July, it was announced that its signing is scheduled for the end of the year 2020³⁴ so that the ratification process by the EU member states can be started;
- the Association Agreement with Chile, in force in its entirety since 2005, because the trade pillar entered into force in 2003. In the framework of the EU–CELAC Bi-regional Summit held in 2013, the EU and Chile agreed to modernise the Agreement, but it was not until November 2017 that negotiations began; they have progressed rather slowly and there is no estimated date for their completion.

This wide and diverse coverage of the existing treaties, which practically encompasses the last two decades, is functional in terms of the regulation of commercial relations. However, the formal solidity of such a coverage has been exposed to the free play of the market economy, where competition relations prevail, with both the EU as well as the subregions and individual LAC countries increasing and intensifying their economic relations with China. In the last twenty years, China has become one of their main commercial partners to the extent of being the main competitor of the United States, both in Europe and in LAC, i.e. traditional markets for US companies. Within this framework, the United States and China – as the main vectors of the correlation of international economic forces – permeate both the EU and LAC, which inevitably influences the priorities of each region.

The process of reducing the EU’s market share in the LAC trade began in the mid-1990s and accelerated in the first decade of the 21st century. While in 1990

Member States. post of the EPA between the Union and its Member States and the CARIFORUM Member States,” *Initial Report*, Ecorys, June 2019.

³⁴ “México y UE aceleran firma de Acuerdo Global a fin de 2020 o inicio de 2021”, *dw.com*, July 23, 2020, <https://www.dw.com/es/m%C3%A9xico-y-ue-aceleran-firma-de-acuerdo-global-a-fin-de-2020-o-inicio-de-2021/a-53904064>.

the EU represented 24.8% of the LAC trade, in 2011 its share fell to 13.7%.³⁵ Since then, its level has remained more or less in the same range.³⁶

From the LAC's position vis-à-vis its main trading partners, the EU has been displaced by China both in the most important subregional economies and in individual countries including: the Mercosur, the CAN, Mexico, and Chile (see Table 4). Due to their trade volume, the two most important cases are that of the Mercosur – where since 2017 the EU has moved from the first to the second place – and that of Mexico, where at the end of the first decade of the 21st century the EU fell from the second to the third place.

Table 4. The EU's trade with the LAC groups/states and the ranking of the LAC's trade partners in 2018

LAC countries/ subregional groupings	EU total trade (exports and imports) in goods, value in billion €	Ranking of LAC's trading partners		
		US	China	EU
Andean Community	28.0	1	2	3
Cariforum	9.1	1	3	2
Central America	12.1	1	3	2
Chile	18.0	2	1	3
Cuba	2.4	(lower ranking)	2	1
Mercosur	86.4	3	1	2
Mexico	64.9	1	2	3

Source: EPRS/Eurostat; the Mercosur excludes data for Venezuela. Data extracted on 3 September, 2019, from Gisela Grieger, *EU trade with Latin America and the Caribbean Overview and models*, Secretariat of the European Parliament, November 2019, retrieved August 2020 from [https://www.europarl.europa.eu/RegData/etudes/IDAN/2019/644219/EPRS_IDA\(2019\)644219_EN.pdf](https://www.europarl.europa.eu/RegData/etudes/IDAN/2019/644219/EPRS_IDA(2019)644219_EN.pdf).

As can be seen in Chart 1, in total trade (exports–imports) of the EU with LAC, the first place is occupied by the Mercosur as a subregional group, with 39.1%, followed by Mexico in the second place, with 29.3%. There is a significant distance to the other trading partners, which, in the order of importance, include: the CAN 12.6%, Chile 8.1%, Central America 5.4%, CARIFORUM 4.1%, and Cuba 1%.

³⁵ CEPAL, *La Unión Europea y América Latina y el Caribe: Inversiones para el crecimiento, la inclusión social y la sostenibilidad ambiental* (UN–Chile, 2012), 52, https://repositorio.cepal.org/bitstream/handle/11362/3083/1/S1200748_es.pdf.

³⁶ CEPAL, *La Unión Europea y América Latina y el Caribe: Estrategias convergentes y sostenibles ante la coyuntura global* (UN–Chile, 2018), 81, https://repositorio.cepal.org/bitstream/handle/11362/43740/6/S1800903_es.pdf.

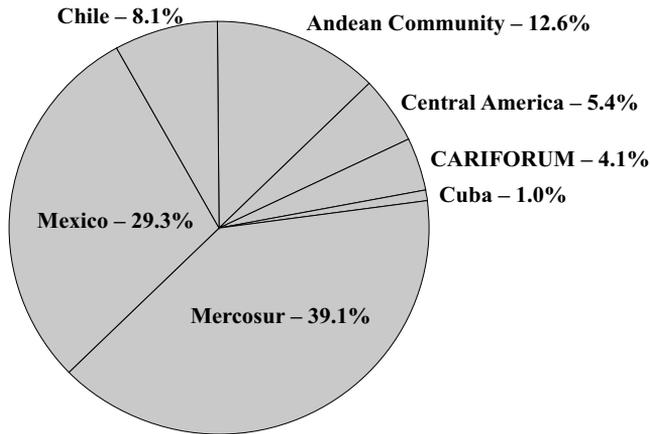


Chart 1. Total trade (exports–imports) of the EU with the LAC 2018 (%)

Source: EKPRS/Eurostat; Mercosur excludes data for Venezuela. Data extracted on 3 September 2019, in Gisela Grieger. EU trade with Latin America and the Caribbean Overview and figures. Secretariat of the European Parliament, November 2019, retrieved August 2020 in [https://www.europarl.europa.eu/RegData/etudes/IDAN/2019/644219/EPRS_IDA\(2019\)644219_EM.pdf](https://www.europarl.europa.eu/RegData/etudes/IDAN/2019/644219/EPRS_IDA(2019)644219_EM.pdf).

Likewise, in the total EU trade at the level of the LAC countries, Mexico and Brazil compete for the first place (1.7%), while more distant places are taken by Chile (0.5%), Argentina (0.5%), Colombia (0.3%), and Peru (0.3%) – the third, fourth, fifth, and sixth places respectively. The remaining countries do not exceed one-tenth of a percentage point (Chart 2). It should be noted that the percentage share of Brazil is approximately 70% of the trade with the Mercosur.

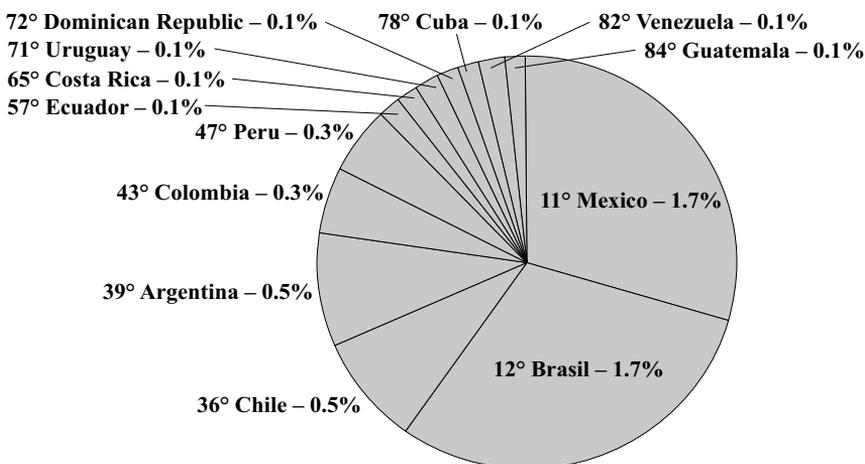


Chart 2. Total trade (exports–imports) of the EU at the level of the LAC countries 2018 (%)

Source: European Commission. DG Trade Statistical Guide, https://trade.ec.europa.eu/doclib/docs/2006/september/tradoc_122530.pdf, retrieved 11 October 2019.

Regarding the total trade (exports–imports) of the EU with the world, Mexico and Brazil compete for the eleventh or the twelfth place, with 1.7%. The EU’s top five trading partners are, in the order of importance: the United States (17.1%), China (15.4%), Switzerland (6.7%), Russia (6.4%), and Turkey (3.9%) (see Chart 3). If in the light of its exit from the EU the UK maintains the level of trade with its former community partners from recent years, it will become the Union’s third partner, displacing Switzerland, Russia, Turkey, and beyond.

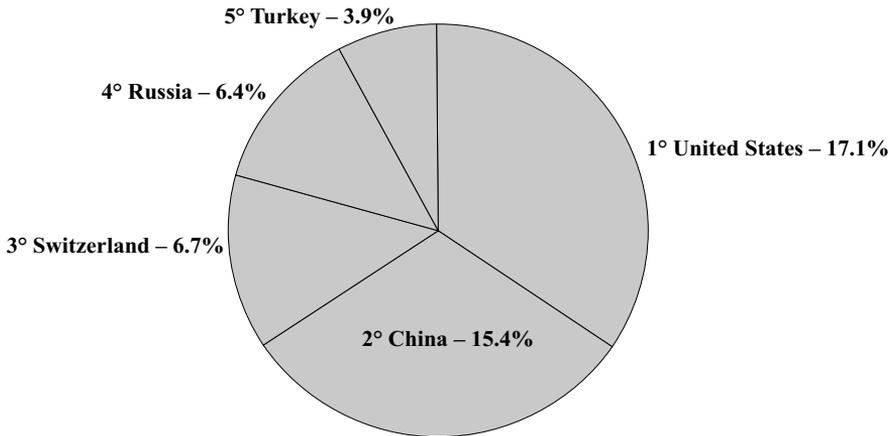


Chart 3. The main trading partners of the European Union 2018 (%)

Source: European Commission. DG Trade Statistical Guide, https://trade.ec.europa.eu/doclib/docs/2006/september/tradoc_122530.pdf, retrieved 11 October 2019.

Finally, the total trade (exports–imports) of the EU with each of the subregional groups and the LAC countries from 2002 to 2018 had the following characteristics:

- With regard to the Mercosur, it went up from 46 billion euro in 2002 to 86.4 billion in 2018, which constitutes an increase of 88%. In the first ten years, it was the EU that had a trade deficit, but as of 2012 it has maintained a trade surplus.
- With Mexico, it went up from 23 billion euro in 2002 to 64.9 billion in 2018, which constitutes an increase of 182%. The historical trend of the balance has always shown a surplus for the EU.
- With the CAN, it went up from 10 billion euro in 2002 to 28 billion euro in 2018, which constitutes a growth of 180%. The historical trend of the balance has always shown a deficit for the EU.
- With Chile, it went up from 8 billion euro in 2002 to 18 billion in 2018, which constitutes an increase of 125%. In the first eleven years, the EU had a trade deficit, but as of 2012 it has maintained a trade surplus.
- With Central America, it went up from 8.3 billion euro in 2002 to 12.1 billion in 2018, which constitutes a growth of 46%. The historical trend of the balance has always shown a deficit for the EU.

- With the CARIFORUM, it went up from 8.6 billion euro in 2002 to 9.1 billion in 2018, which constitutes a growth of 6%. It is a relationship with the lowest growth for a subregional group. The historical trend of the balance has always shown a surplus for the EU.
- With Cuba, it went up from 1.7 billion euro in 2002 to 2.4 billion in 2018, which constitutes a growth of 41%. The historical trend of the balance has always shown a surplus for the EU.

Table 5. Growth of the total EU trade with the LAC subregions and countries 2002–2018 (in billions of euro)

LAC countries/subregional groupings	2002		2010		2018	
	Export	Import	Export	Import	Export	Import
Andean Community	4.9	5.1	7.5	11	13	15
CARIFORUM	4.9	3.7	5.1	3.5	5.3	3.8
Central America	4	4.3	4.5	5.5	6	6.1
Chile	3	5	5	9	9.9	8.1
Cuba	1.2	0.5	1.3	0.4	2.1	0.3
Mercosur	20	26	37.4	40.5	44.1	42.3
Mexico	16	7	20	14	39	25.9

Source: EPRS/Eurostat; the Mercosur excludes data for Venezuela. Data extracted on 3 September, 2019, from Gisela Grieger, *EU trade with Latin America and the Caribbean Overview and models*, Secretariat of the European Parliament, November 2019, retrieved August 2020 from [https://www.europarl.europa.eu/RegData/etudes/IDAN/2019/644219/EPRS_IDA\(2019\)644219_EN.pdf](https://www.europarl.europa.eu/RegData/etudes/IDAN/2019/644219/EPRS_IDA(2019)644219_EN.pdf)

As can be seen in Table 5, the increase in the total EU trade with each of the subregional groups and individual LAC countries has generally been moderate if one takes as a reference point the growth in the world's trade during the same period. However, regardless of the proportions of the increase in the amounts of money, the cases of Mexico, the CAN, and Chile stand out here, as they have experienced an increase of more than 100%.

Finally, bi-regional trade relations have had a decisive strategic supplement that acts in favour of economic ties in a comprehensive manner, namely the foreign direct investment (FDI) flowing between both parties. In the period of 2015–2017, the EU's FDI to LAC reached the amount of 2,177.1 billion euro, while LAC's FDI to the EU reached 661 billion euro.³⁷

³⁷ Gisela Grieger, *El comercio de la Unión con América Latina y el Caribe* (Servicio de Estudios para los Diputados, Secretaría General del Parlamento Europeo, noviembre, 2019), 37, [https://www.europarl.europa.eu/RegData/etudes/IDAN/2019/644219/EPRS_IDA\(2019\)644219_ES.pdf](https://www.europarl.europa.eu/RegData/etudes/IDAN/2019/644219/EPRS_IDA(2019)644219_ES.pdf).

Concluding Remarks

The EU–LAC interregional relationship is currently immersed in the ‘variable geometry’ scheme, which is the most orthodox one within the flexibility theory, and it seems that it will remain so for a long time. What is prevailing is that the new ‘pragmatic’ strategy of the EU’s foreign activity promotes initiatives selectively, which is why it is focusing its efforts to renew and update trade agreements with those who are most profitable ‘partners’ (the ‘graduate’ countries) and where economic expectations are more attractive, regardless of whether the partners represent subregional or bilateral fronts.

In this regard, in the 2015 European Commission trade policy document, titled ‘Trade for All’, priorities for LAC were established, namely concluding the long negotiations of an association agreement with the Mercosur and modernising the agreements with Mexico and Chile.³⁸ The cases of the Mercosur and Mexico stand out, since both partners represent more than two-thirds of the total EU trade with LAC (68.4%).

With concrete actions, such as those indicated in the previous paragraph, it was shown that for the European Union, LAC remains a region with a potential in its renewed foreign policy. It is worth remembering that for several years many analysts have assumed that a loss of interest of the EU in LAC is taking place, and they have attributed it mainly to the reduction of its market share in the region in the last two decades. However, such a quota reduction is a problem of competitiveness for the EU, which has not been an obstacle for an increase in the bi-regional global trade relationship. In fact, the increase has become the reality, whose empirical evidence is the growth of the exchange of goods and services, and, consequently, the increase in profits reflected in the amounts in monetary value. In addition, regarding the economic interests, the trade pillar is supplemented with the FDI pillar, which has made the EU the main investor in LAC,³⁹ moving the United States into the second place.

The interregional relationship has been conditioned both by international factors (changes in the correlation of trade forces, the 2008–2016 economic crisis, the new populist nationalisms, etc.) and by internal problems that arose in each region (mainly Brexit in the EU and the CELAC’s fracture related to the case of Venezuela in LAC). This conditioning can be perceived as negative for the relationship, which possibly contributes to the ‘loss of interest’ in maintaining and promoting the bi-regional front, and focusing on the bilateral strategy, which some analysts had been recommending

³⁸ Gisela Grieger, *El comercio de la Unión con América Latina y el Caribe* (Servicio de Estudios para los Diputados, Secretaría General del Parlamento Europeo, noviembre, 2019), 10–11, [https://www.europarl.europa.eu/RegData/etudes/IDAN/2019/644219/EPRS_IDA\(2019\)644219_ES.pdf](https://www.europarl.europa.eu/RegData/etudes/IDAN/2019/644219/EPRS_IDA(2019)644219_ES.pdf).

³⁹ CEPAL, *La Unión Europea y América Latina y el Caribe: Estrategias convergentes y sostenibles ante la coyuntura global* (UN–Chile, 2018), 100, https://repositorio.cepal.org/bitstream/handle/11362/43740/6/S1800903_es.pdf.

for years.⁴⁰ However, until now the only negative effect has been the suspension of the bi-regional summits. Due to their meagre results, they were the negotiating front that did not manage to resist challenges, which is why it is considered by many to be a non-essential forum, whose disappearance will not lead to negative consequences.

I disagree with the idea of the summits being eliminated, since it was a forum that has contributed to the structuring of the interregional relationship, which has become an ongoing process and as such must be periodically nurtured to retain its functionality and development. Only then will it be able to adapt to the dynamics of change in the international correlations of forces in all areas (economic, political, and social). It is true that the documents that were issued at the end of each summit were rhetorical, with good wishes, but unrealistic and without roadmaps, which – according to some analysts – has resulted in a loss of relevance of these diplomatic summits; there is a general perception of ‘fatigue’ of both actors in promoting the bi-regional relationship.⁴¹ Underlying this perception is the idea that the summits did not fulfil their ‘mission’, because they did not serve to advance the economic, political, and social objectives that had been expected.

The EU–LAC interregional relationship must be capitalised on by both parties, because the structural links that have been built since the 1990s distinguish it not only from any other relationship between regions in the world, but also from the traditional centre–periphery dynamics that prevails on different levels between the United States and the LAC countries. The following six elements or factors stand out, making the EU–LAC relationship unique:

- a wide and diverse coverage of the existing treaties all over LAC, covering the triad: trade, political dialogue, and cooperation;
- shared cultural identity with regard to religion (Christianity – uses and customs), languages (mainly Spanish and Portuguese), and political systems;
- a multilevel and institutionalised political dialogue – from the summits between heads of state and government, with the participation of the EU’s senior executives, to bilateral dialogues between organised civil societies, and the parliamentary dialogue formalised in 2006 through the Assembly Eurolat;
- a broad and multi-thematic cooperation agenda that encompasses all the LAC countries and includes all modalities in correspondence with the differentiation scheme established by the EU by country type, i.e. ‘graduates’, ‘poor’, and ‘fragile’;
- the contribution of the EU and its member states constituting more than 60% of the Official Development Assistance that LAC receives;
- the potential to increase diversification in all areas of the bi-regional relationship, since it manifests in practically all fields of international relations: social, economic,

⁴⁰ Celestino del Arenal, *Las relaciones entre la UE y América Latina: ¿Abandono del regionalismo y apuesta por una nueva estrategia de carácter bilateralista?* (Madrid: Real Instituto Elcano, 2009).

⁴¹ José Antonio Sanahuja, *La UE y CELAC: Revitalización de una estratégica* (Hamburg: Fundación EU–LAC, 2015), 23.

political, cultural, diplomatic, cooperation for development, security, scientific and technological, academic, sports, etc.⁴²

All these elements make the bi-regional strategic association relevant and viable, and unique in its conception and structure, which is unparalleled in the LAC's relationship with the United States, and even more unparalleled when it comes to China.

I wish to reiterate the recommendation that the EU and LAC should capitalise on their bi-regional strategic relationship, which is why it is necessary to recover the programme of the bi-regional summits every two years. Regardless of their results and criticisms they have received, they have served to carry out comprehensive regular evaluations regarding the progress achieved and the update of the old and new issues that the relationship development has faced. There is an ideal mechanism in place to reactivate the summit forum, namely the ministerial meetings between the heads of the foreign ministries or secretaries of the EU member states and the LAC countries, who all must agree on the short-, medium-, and long-term strategic planning programmes that urgently require the bi-regional strategic relationship.

It is necessary that each party should perform its task within its region. The EU must achieve the consensus and recognition from all its member states on the economic and political potential that LAC represents for its international projection, convincing in particular the countries of Eastern Europe, which have little interest in LAC. In this regard, the EU would have to reconsider – even from the perspective of its flexible strategy – the bi-regional front, which is functional as supplementary to, and not exclusive of, the bilateral and sub-regional fronts. The EU must exercise its dominant role that sets the course, pace, adjustments, and changes of the interregional relationship in order to strengthen it and upgrade it to new stages of development in the third decade of the 21st century that is about to begin.

For its part, Latin America and the Caribbean must fully recover the CELAC project, whose fracture deepened after the presidential election in Venezuela on 20 May, 2018, polarising the region and the world, since ten countries recognised the triumph of Nicolás Maduro (five from LAC: Bolivia, Cuba, Ecuador, El Salvador, and Nicaragua; and five extra-continental: China, Iran, Russia, Syria, and Turkey). The rest of the countries disqualified the electoral process, including the rest of the CELAC as well as the EU and its member states. Even with the CELAC divisions, the EU–CELAC Ministerial Meeting was held in Brussels in July of that same year and it was perceived as a positive signal confirming that the bi-regional relationship could be maintained at that level. However, with the political crisis in Nicaragua, the CELAC has become more paralysed, which is why the annual summits of heads of state and government as well as ministerial and sectoral meetings remain suspended.

In this complex scenario, Mexico assumed the Pro Tempore Presidency in January this year during a ministerial-level event, with the participation of twenty-nine States

⁴² Carlos Malamud, ed., *Por qué importa América Latina* (Madrid: Real Instituto Elcano, 2017), 7.

out of the thirty-three that make up the CELAC, which is symptomatic of the regional interest in recovering the functionality and presence of this organisation. The meeting did not address the issue of political and ideological differences between states which had endorsed the principle of respect for differences, which should be the basis for restarting the CELAC's recovery process. If the LAC countries advance in this direction in order to achieve unity in diversity, and if the EU supports and recognises this effort, the interregional relationship will be strengthened and will move through to a new stage.