

DIRECTORATE-GENERAL FOR EXTERNAL POLICIES
POLICY DEPARTMENT



THE ROLE OF THE EU IN PROMOTING A BROADER TRANSATLANTIC PARTNERSHIP

AFET



DIRECTORATE-GENERAL FOR EXTERNAL POLICIES OF THE UNION

DIRECTORATE B

POLICY DEPARTMENT

STUDY

THE ROLE OF THE EU IN PROMOTING A BROADER TRANSATLANTIC PARTNERSHIP

Abstract

The European Union should promote a new transatlantic partnership encompassing both North and South America. Such cooperation is necessary not only to respond to competitive challenges from countries like China and India, but also to help develop new markets in Africa and to promote strong partnerships across the South Atlantic. More important, a new transatlantic partnership is essential to protect the security of the Atlantic basin, to develop more sustainable use of energy resources, to protect the environment, to combat the drugs trade and human trafficking, and to tackle the problem of illegal immigration. The European Parliament has a unique role to play in fostering a more inclusive Atlantic community. It can help to break down traditional patterns of North-South engagement, it can build capacity in Latin American regional organizations, it can encourage leadership within the Latin American community, and it can foster democracy and civil society across the South Atlantic. Moreover, the European Parliament can help exploit the long experience of the European Union in collective decision-making, multinational democratic representation, information exchange, and shared best practice to lay the foundations for more effective cooperation at all levels of government across the Atlantic region.

This study was requested by the European Parliament's Committee on Foreign Affairs.

AUTHORS:

Robert DOVER, School of Social, Political and Geographical Sciences, Loughborough University, U.K.,
Erik JONES, School of Advanced International Studies, The Johns Hopkins University, U.S.A./ITALY

CONTRIBUTORS:

Timo BEHR, The Finnish Institute of International Affairs, FINLAND,
Emily CLEWS, School of Social, Political and Geographical Sciences, Loughborough University, U.K.,
Mahrukh DOCTOR, Department of Politics and International Studies, Hull University, U.K.,
Gregory W. FULLER, School of Advanced International Studies, The Johns Hopkins University, U.S.A./ITALY,
Gabriel GOODLIFFE, Departamento de Estudios Internacionales, Instituto Tecnológico Autónomo de México, MEXICO,
Lee MILES, Department of Political Science, Karlstad University, SWEDEN,
Rana MITTER, St Cross College, Oxford University, U.K.,
Andrew MONAGHAN, St Antony's College, Oxford University, U.K.,
Saskia VAN GENUGTEN, School of Advanced International Studies, The Johns Hopkins University, U.S.A./ITALY.

ADMINISTRATOR RESPONSIBLE:

Wanda TROSZCZYNSKA-VAN GENDEREN
Directorate-General for External Policies of the Union
Policy Department
WIB 06 M 093
rue Wiertz 60
B-1047 Brussels

Editorial Assistant: Delphine FUMEY

LINGUISTIC VERSIONS

Original: EN

ABOUT THE EDITOR

Editorial closing date: 25/02/2013.
© European Union, 2013

Printed in Belgium.

ISBN: 978-92-823-4158-2
Doi: 10.2861/12515

The Information Note is available on the Internet at

<http://www.europarl.europa.eu/activities/committees/studies.do?language=EN>

If you are unable to download the information you require, please request a paper copy
by e-mail : poldep-expo@europarl.europa.eu

DISCLAIMER

Any opinions expressed in this document are the sole responsibility of the author and do not necessarily represent the official position of the European Parliament.

Reproduction and translation, except for commercial purposes, are authorised, provided the source is acknowledged and provided the publisher is given prior notice and supplied with a copy of the publication.

TABLE OF CONTENTS

ACRONYMS	6
EXECUTIVE SUMMARY	7
1. INTRODUCTION	9
2. TRANSATLANTIC RELATIONS TODAY	11
2.1 THE WANING PREDOMINANCE OF THE NORTH ATLANTIC	11
2.1.1 Trade	11
2.1.2 Security	13
2.2 LEGACY PATTERNS IN NORTH-SOUTH RELATIONS	13
2.2.1 Preferential Trade Agreements	15
2.2.2 The Development Agenda	16
3. NEW ACTORS AND ARENAS	18
3.1 SOUTH-SOUTH TRADE AND INVESTMENT	18
3.2 SOUTH-SOUTH DEVELOPMENT COOPERATION	19
3.3 TRILATERAL COOPERATION AND MULTILATERAL POSSIBILITIES	20
3.4 INDIA AS WELL AS CHINA	21
3.4.1 Common Resource Requirements	22
3.4.2 Cultural Diplomacy	22
3.4.3 Potential Counterbalance	23
3.5 IMPLICATIONS FOR EUROPE AND THE AMERICAS	24
4. AREAS OF POLICY CONVERGENCE	25
4.1 SECURITY THREATS: NON-STATE ACTORS AND NON-PROLIFERATION	25
4.1.1 Piracy in the Gulf of Guinea	26
4.1.2 Arms Trade and the Proliferation of Weapons of Mass Destruction	27
4.2 ENERGY AND THE ENVIRONMENT	28
4.2.1 The Evolving Transatlantic Energy Context	28
4.2.2 Environment	30
4.2.3 Room for Increased Cooperation	30
4.3 TRANSNATIONAL CRIME AND MIGRATION	31
4.3.1 Narco-trafficking	32
4.3.2 Illegal Immigration and Human Trafficking	33
4.3.3 International Policy Frameworks and Action Plans	34
4.3.4 European Initiatives	34

4.3.5	Underlying Conditions	35
4.3.6	Instruments for Enhancing Transatlantic Cooperation	36
4.3.7	Encouraging Global Efforts	37
5.	PARTNERS AND FORUMS	39
5.1	LEADERS AND FOLLOWERS	39
5.2	BRAZIL AS A SPECIAL CASE IN THE SOUTHERN ATLANTIC	40
5.2.1	Brazil's Domestic Context	40
5.2.2	Brazil's Foreign Policy Ambitions	41
5.2.3	Brazil's Institutions and Resources	42
5.2.4	Brazil's Potential Contribution	42
5.3	MULTILATERAL INSTITUTIONS	43
5.3.1	The Community of Latin American and Caribbean States	43
5.3.2	Mercosur	43
5.3.3	The Union of South American Nations	44
5.3.4	The Alliance of the Pacific	44
5.4	FINDING THE "RIGHT" FORUM	45
5.4.1	Security Cooperation	45
5.4.2	Economic Cooperation	48
5.4.3	Political Cooperation	50
6.	RECOMMENDATIONS	53
6.1	A STRATEGY FOR EMPOWERMENT	53
6.2	A STRATEGY FOR SECURITY	53
6.3	A STRATEGY FOR SUSTAINABILITY	54
6.4	A STRATEGY FOR EQUALITY	55
6.5	A STRATEGY FOR PARTNERSHIP	55
	BIBLIOGRAPHY	57

ACRONYMS

ACP	African, Caribbean and Pacific Countries
ASEAN	Association of Southeast Asian Nations
AU	African Union
BRICS	Brazil, Russia, India, China, South Africa
CAN	Community of Andean Nations
CELAC	Community for Latin American and Caribbean States
COPOLAD	Cooperation Program between Latin America and the European Union On Drugs Policies
CSBMs	Confidence and Security Building Measures
DAC	Development Assistance Committee
EBA	Everything but Arms
ECOWAS	Economic Community of West African States
ECRIS	European Criminal Records Information System
EEC	European Economic Community
EU	European Union
EU27	European Union of Twenty-Seven Member States
Eurostat	European Statistical Office
Eurosur	European Union external border surveillance system
FDI	Foreign Direct Investment
FRONTEX	European Agency for the Management of Operational Cooperation at the External Borders of the Member States of the European Union
G-8	Group of Seven Leading Industrial States plus Russia
GATT	General Agreement on Tariffs and Trade
GDP	Gross Domestic Product
IBSA	India, Brazil, South Africa
IMF	International Monetary Fund
INTERPOL	International Criminal Police Organization
LAC	Latin America and the Caribbean
LNG	Liquefied Natural Gas
Mercosur	Common Market of the South
NAFTA	North American Free Trade Agreement
NATO	North Atlantic Treaty Organization
OAS	Organization of American States
ODA	Overseas Development Assistance
OECD	Organization for Economic Cooperation and Development
OSCE	Organization for Security and Cooperation in Europe
SHADE	Shared Awareness and Deconfliction Initiative
UK	United Kingdom
UN	United Nations
UNASUR	Union of South America Nations
USA	United States of America
WMD	Weapons of Mass Destruction
WTO	World Trade Organization

EXECUTIVE SUMMARY

The old transatlantic relationship was defined by trade, investment, and the fight against Soviet communism. The new transatlantic community is defined by the increasing penetration of China and India as economic actors, the expansion of market opportunities across the African continent, the emergence of new security threats, the challenge of sustainable energy use and environmental preservation, the scourge of organized crime including the trafficking in people and narcotics, and the plight of illegal migrants. Within this new community, the European Union, the United States and Canada are no longer the only major actors. The countries of Latin America are involved as well, both as rising powers and through an overlapping network of regional organizations. The broader community of actors in the Atlantic constitutes a challenge for collective action but also an opportunity to forge a more effective response.

This study examines the possibilities for a new transatlantic partnership that includes both the traditional powers of the North Atlantic and the rising strength of Latin America. It begins by taking stock of traditional relations, showing how the old patterns of trade and investment across the North Atlantic are beginning to give way to new realities even as traditional North-South relations along the two sides of the Atlantic seaboard give way to a growing South-South dynamic. This background is necessary to explain why change is important. A subsequent examination of the opportunities available in Africa and the competition from emerging powers like China and India explains why a change in the transatlantic relationship is inevitable.

The question is what a new transatlantic partnership could offer. This study outlines three areas where collective action between Europe, the United States, Canada, and Latin America could make a difference. The security of the Atlantic basin is one example. The proliferation of weapons of mass destruction or sophisticated conventional armaments is only one of many threats. The non-state actors responsible for terrorism and piracy are important as well. A strong transatlantic partnership could help to manage such threats through greater information sharing and other confidence and security building measures.

Energy and environmental sustainability are important as well. This is true particularly at a time when Brazil and the United States are unlocking vast new resources, as Venezuela looks likely to experience a political transformation, and as competition for primary commodities increases with the rise of China and India. The countries of Latin America are already focusing on this new more competitive environment. The new Alliance of the Pacific is indicative of policy innovation in this regard. A more encompassing transatlantic partnership will help to ensure that all parts of the Atlantic are involved in planning for a more sustainable future.

Organized crime and immigration are a third area of concern. These issues are important not only for their direct impact on both the sending and receiving countries, but also for the collateral damage that is wrought at all points along the way. Organized criminal networks are fuelling violent conflict in Africa, destabilizing governments in the Caribbean, and undermining both the functioning of democracy and respect for the rule of law. A more inclusive transatlantic partnership is essential to construct a system approach to such problems. It would help to normalize the flow of immigration and work to eliminate those push factors that drive people into human trafficking.

Building a more comprehensive transatlantic partnership will not be easy. The countries of Latin America have some way to go before developing the capacity to act with the same cohesion as the European Union does. Indeed, they may choose never to attain that level of integration. The countries of Latin America do not follow regional leadership either. Although Brazil has unique capacity to support collective action at the regional level, it also has significant domestic policy challenges to face

and little support from the countries of Central America in assuming a leadership role. Hence the European Union will need to help foster collective action within Latin America and it will need to use multiple forums for multilateral engagement. Some of these forums will be new, like the recent summit between European and Latin American leaders that was held in Santiago. Others will be existing organizations like the International Monetary Fund or the World Bank that are badly in need of reform.

This study concludes with a comprehensive strategy for action to foster this new transatlantic partnership. Many of the recommendations it makes are aspirational and normative. They call upon European leaders to treat the countries of Latin America as equal partners, to develop new international relationships that cut across old colonial patterns, to share information between more freely between police organizations and immigration authorities, to nurture contacts across civil society, and to encourage educational and cultural exchange. Such recommendations have obvious significance and yet are challenging to implement; the devil is always in the details.

There are some recommendations, however, where the European Parliament can play a leading role. Specifically, the European Parliament can work to help shape public opinion in Europe about the need to redistribute the costs of adjustment to climate change and to more sustainable energy use in all parts of the globe. These costs will be borne disproportionately by developing countries; the European Parliament will need to build political acceptance for the need to pay some of those costs. The European Parliament will need to embrace the cause of multilateral institutional reform as well. As a representative, democratic institution, the European Parliament must throw its support behind a more equitable redistribution in the voting weights at the International Monetary Fund – building, perhaps on its 2006 proposal for Europe to speak with one voice – and merit-based selection of leadership there and at the World Bank as well. Such actions are more than just symbolism. They are proof that the European Parliament sees emerging powers as equals. As such, they will help to foster belief that the Atlantic basin is one community of nations.

1. INTRODUCTION

The transatlantic relationship needs to evolve. The purpose of this ad hoc study is to explain why that is so and how such an evolution can take place. It also offers suggestions for specific action on the part of the European Parliament.

The basic premise is that a new transatlantic relationship will have to bring the countries of Europe, North America, and Latin America together in a common framework for collective action. This will not be easy, not least because of the different patterns of regional organization in the different parts of the Atlantic community. The European Union provides a strong forum for coordinating the activities of its twenty-seven member states. The United States and Canada are effective federal political systems. The countries of Latin America do not have the same capacity to work as a single unit at the regional level; they do not desire to construct such a capacity either. Therefore the new transatlantic relationship will have to work on many different levels at once. It will be challenging to make this relationship function adequately. It will also be worth the effort.

The study begins in section two with an overview of the economic relationships that have developed across the Atlantic, both from East to West and from North to South. These economic relationships are important in terms of their promise and in terms of their limitations. The goal in reviewing those economic relationships is to provide the foundation for action beyond trade and investment.

The third section of this report introduces new geographic areas and rising political actors. It argues that a new transatlantic partnership is necessary to coordinate efforts to integrate African markets into the world economy. It is also necessary to create an effective forum for engagement with China. Such engagement should not ignore the rising influence of India either. Indeed, it would be wise to include India as part of the wider conversation both to create a counterweight to China and to ensure that Indian interests are accommodated from the outset rather than having to be incorporated in the near future when India begins to assert itself more prominently in Atlantic markets.

The fourth section of the report maps areas for policy convergence within the new transatlantic partnership. It focuses on three areas in particular: energy and the environment; security; organized crime and illegal immigration. These areas are meant to be illustrative rather than exhaustive. Nevertheless, they offer significant potential for collective action to combat climate change, improve energy security, strengthen maritime protection, mitigate the drugs trade, restore dignity to the victims of human trafficking, and strengthen the rule of law more generally.

The fifth section of the report suggests how this new relationship can be organized. It reviews the potential for leadership and coordination in Latin America. It also surveys existing multilateral arrangements and explains how they work together and how they may need to be amended.

The final section of the report offers a strategy for constructing this new partnership. This strategy must work to empower the political leadership of Latin America to engage with Europe and the United States on equal terms. It must address abiding concerns in discrete policy areas. And it must create a lasting sense of community across the Atlantic. This is a broad, aspirational agenda. Nevertheless, it rests on a foundation of commitment.

That commitment derives from a need to acknowledge the past. For much of the post-World War II period, the transatlantic relationship has concentrated on a North-North axis, with North-South relations following traditional patterns of regional hegemony or colonization. Moreover, where the countries of the North Atlantic interacted on many different levels, North-South interaction has centred on trade and investment, often to the advantage of Europe and the United States. That pattern is no longer sustainable and the European Parliament can play a leading role in building a more inclusive

Atlantic community, in which it is acknowledged that allowing the south to set its own priorities and pursue its own interests will result in gains for all. The first step is to acknowledge both the successes and failures of past relationships.

The promotion of democracy and human rights is a success. The European Parliament should make it clear that while these are European values, they are also Atlantic values shared by all members of the Atlantic community, north and south. The European Parliament should take the lead in pushing the normative agenda for integration across the Atlantic, by underscoring where on-going negotiations for trade, investment, security cooperation, and the like, can play a role in promoting human dignity and equality.

The European Parliament can also play a unique role in fostering non-traditional relationships between members of the Atlantic community which have had little contact by taking advantage of the unique diversity of its membership to promote inter-parliamentary dialogue at both the national level and through the new South American Parliament. This will be achieved not only on an inter-parliamentary basis but through supporting a plurality of civil society groups and technical experts to build institutions and create incentives that are pro-development and pro-growth.

Again, such cross-cutting relationships should move beyond trade and investment. These are areas where national economic self-interest tends to reinforce traditional patterns of North-South relations. Only by moving beyond trade to focus on matters of common interest and the sustainable development of the global south can the European Parliament help to construct a new, more inclusive transatlantic community.

2. TRANSATLANTIC RELATIONS TODAY

The transatlantic relationship is one of the great achievements of the post-Second World War era – both because it provided a bulwark for securing democracy against the threat of communism and because it laid the foundations for the globalization of economic activity. Now, however, it is time for that relationship to develop further. The end of the Cold War has changed the emphasis in security matters from block-to-block confrontation to a more nebulous array of non-state actors and new threats. At the same time, the emergence of new economic and political actors outside the transatlantic community creates the opportunity to create more representative, global institutions and to share the costs and benefits of addressing global challenges more equitably.

The transatlantic relationship needs to be wider, to incorporate the partners and interests of the South Atlantic. Traditionally, this dimension has been absent. The countries of the North and South Atlantic have tended to interact along patterns that pre-date the Second World War. These patterns often reflect historic regional hegemonies or colonial ties that in many ways conflict with the unity of values and interests in the transatlantic relationship. As a consequence, North-South relations along the Atlantic have occasionally emerged as points of tension across the Atlantic. This has limited the effectiveness of actors on all side to meet perennial challenges related to uneven development, income inequality, organized crime, and illegal immigration.

Such perennial challenges have increased in importance over time. The trade in drugs and trafficking of individuals has knit the transatlantic community together in ways that are threatening both to economic development and to political stability. Moreover, such challenges must be met with a coordinated response in terms of appropriate and effective institutional architecture in which all stakeholders feel ownership of the issues and solutions. All parts of the Atlantic community must engage in finding the solutions to these pressing problems. This is not the only reason for re-forging the transatlantic relationship, but it is a good place to start.

2.1 The Waning Predominance of the North Atlantic

The countries of the North Atlantic are the predominant economic, military, and institutional powers within the global system. Consequently, the transatlantic economic and security relationship remains a defining feature of the world's economy as well as its strategic landscape and governance structures. Europe and North America are so deeply intertwined that policies and crises on one side of the Atlantic often have a direct impact on the other: the current set of economic crises is a case in point. Managing such interdependence and seeking out common goals thus remains a crucial imperative for both European and North American policymakers – particularly as the global system shifts to accommodate rising powers such as China and India.

2.1.1 Trade

While the countries of the North Atlantic are large players in the global trading system, their dominance is on the wane. The European Union (EU), United States (USA), and Canada provided 30 % of the world's goods and services exports in 2011 and accounted for 36 % of all imports. Nevertheless, these figures reflect a marked decline from a decade before: in 2001, the North Atlantic imported half of the world's goods and exported more than 40 % of them. Much of this erosion can be explained by the growing importance of China, both as an importer and an exporter and thus the increasing presence of China in Latin America is of importance to the established order of the global north.

Perhaps the most important feature of the transatlantic economic relationship is its insularity. The Europeans and North Americans are dependent on each other as export markets: this makes Latin

America a key area for development, and it should be noted that the most recent figures available from the European statistical agency (Eurostat, January 2013) put the nations of the Community for Latin American and Caribbean States (CELAC) as some 7 % of the trade-in-goods figure for the twenty-seven member states of the European Union (EU27).¹ As much as the transatlantic partners depend on each other for vibrant export markets, countries on both sides of the North Atlantic have increasingly looked to alternative markets for imports. EU members have imported more from China than from North America every year since 2006, with the American share of European import markets shrinking to 11 % in 2011 (compared to China's 16.5 %). Russia's role as an energy exporter to much of Europe further pushed the United States down to the EU's third largest source of imports, and as non-renewable energy becomes more pressed this will only raise the prominence of Latin America as a key site of contest between the US, India and China.

The North Atlantic dominance of the relatively small international trade in services has suffered less erosion. In 2011, the EU, United States, and Canada exported over €300 billion in tradable services between them. Unlike the markets for goods, Asian and Latin American competition in the services market has remained relatively limited. The EU27 registered a surplus of €12.8bn in service trade with CELAC nations in 2011, registering its largest surpluses with Brazil (+€4.3 bn), Mexico (+€2.6 bn) and Venezuela (+€2.3 bn).² Both the EU and the United States purchased more than 30 % of their foreign services imports from each other, compared to the low single digits from China and India reflecting an area in which not only growing markets can be secured, but also the means by which to deliver technical expertise to assist in securing sustainable development.³

While North Atlantic trade is an important dimension of the broader transatlantic relationship, the reciprocal investment links between the two sides of the Atlantic are far more economically significant. North Americans and Europeans buy stakes in each other's firms, hold enormous sums of asset wealth in each other's financial markets, and operate revenue- and employment-generating affiliates in each other's territories. The depth of these ties makes the transatlantic economy among the most integrated in the world, arguably trailing only the EU.⁴ The recent push by European Trade Commissioner Karel De

¹ Aside from internal trade, NAFTA countries and the EU sell more to each other than to any other foreign country. In 2011, EU member states sold over €260 billion worth of goods to the United States – 17 % of all goods exported outside the EU. Together, the three NAFTA countries bought over one fifth of European goods sold abroad. The reciprocal situation is similar, though America is somewhat more reliant on European export markets: EU members bought 27 % of US goods exported beyond NAFTA in 2011. This mutual dependence means that economic fluctuations in either the EU or United States are swiftly transmitted across the Atlantic. The global financial crisis of 2007-08 and ensuing reduction in demand caused trade to transatlantic trade to contract sharply in 2009, with exports between the USA and EU only recovering to 2007 levels in 2011. See European Parliament, *EU-Canada Comprehensive Economic and Trade Agreement*, Workshop December 2012: <http://www.europarl.europa.eu/committees/fr/studiesdownload.html?languageDocument=EN&file=79470> See also, Eurostat, *EU27 trade in goods with CELAC in balance in the first nine months of 2012*, News-release, 25 January 2013: http://epp.eurostat.ec.europa.eu/cache/ITY_PUBLIC/6-25012013-AP/EN/6-25012013-AP-EN.PDF

² Eurostat, *EU27 trade in goods with CELAC in balance in the first nine months of 2012*, News-release, 25 January 2013: http://epp.eurostat.ec.europa.eu/cache/ITY_PUBLIC/6-25012013-AP/EN/6-25012013-AP-EN.PDF

³ Eurostat, *European Union Balance of Payments*, 21 January 2013:

http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=bop_q_eu&lang=en

and United States Department of Commerce Bureau of Economic Analysis, website: <http://www.bea.gov> (Accessed 3 February 2013). Data excludes intra-EU and intra-NAFTA trade.

⁴ At the end of 2011, the United States and EU together provided over 65 % of the globe's stock of FDI. Much of this investment is reciprocal: one third of the EU's stock of investments abroad is in NAFTA countries and nearly 40 % of FDI into Europe originated in North America. The United States is even more closely bound to its European investment partners: more than half of American FDI takes place in Europe and European investors hold 71 % of the foreign direct investment in

Gucht and United States Trade Representative Ron Kirk to negotiate a comprehensive transatlantic Trade and Investment Partnership will make it even stronger. An expanded transatlantic area could add to this ambitious agenda by opening trade and investment links to new markets and by embedding sustainable market led development across the southern Atlantic region.

2.1.2 Security

The transatlantic security relationship also continues to be the deepest and most complex in the world today, although with little coverage in the Latin American region. The existing alliance is comprised of formal institutions such as the North Atlantic Treaty Organization (NATO) and the Organization for Security and Cooperation in Europe (OSCE), a host of bilateral relationships, and ad-hoc coordination on security concerns – such as the imposition of sanctions on Iran.⁵ Reorienting NATO conceptually away from its cold war priorities of European territorial defence and toward more diffuse global threats such as terrorism, weapons proliferation, piracy, and cyber warfare has been broadly achieved. Since 2005, both elite and popular assessments of the global security environment on both sides of the Atlantic have converged.⁶ Despite the continued strength of transatlantic security structures, potential rifts have emerged.

The largest concern facing the transatlantic security relationship today is not strategic but fiscal: the global economic downturn which followed the financial crisis of 2007-08 has led to defence spending cutbacks in Europe which, the United States argues, threaten to compromise NATO's capabilities and its ability to have an impact on global insecurities, including those which might benefit from a broader transatlantic compact. The military capacity of NATO continues to dwarf that of the rest of the world, with NATO countries accounting for well over half of all global defence spending. China and Russia, the largest non-NATO spenders on defence, constitute four and eight per cent respectively.⁷ The capacity of the United States to continue paying such a large share of the NATO bill is increasingly in doubt as the American fiscal situation continues to deteriorate and its political polarization becomes more paralyzing. America is likely to start making choices about regions it chooses to be active in, which may result in a greater level of unilateral regional activity in Latin America as opposed to a broad transatlantic community.⁸

2.2 Legacy Patterns in North-South Relations

Whereas transatlantic relations between the countries of the North Atlantic tend to be mutually significant and largely reciprocal, North-South relations are more asymmetric. For countries in the South Atlantic, relations with Europe and North America are characterized by historical patterns of economic dependence and colonialism. Partnerships between North and South are less between equals than they are efforts to by northern states to influence the political and economic development of the south.

the United States (based on authors' calculations from OECD international direct investment database, Eurostat, International Monetary Fund (IMF) and BEA data).

⁵ For further analysis see, European Parliament, *The Extraterritorial Effects of Legislation and Politics of the EU and US*, Study, October 2012: <http://www.europarl.europa.eu/committees/fr/studiesdownload.html?languageDocument=EN&file=73891>

⁶ Simon Serfaty and Sven Biscop, *A Shared Security Strategy for a Euro-Atlantic Partnership of Equals*, A Report of the Global Dialogue between the European Union and the United States. Center for Strategic and International Studies, Washington D.C., July 2009; Zsolt Nyiri and Joshua Raisher, *Transatlantic Trends: Public Opinion and NATO*, The German Marshall Fund of the United States, Washington D.C., 16 May 2012.

⁷ Stockholm International Peace Research Institute website. Available at: <http://www.sipri.org/> (Accessed 13 February 2013).

⁸ Dana H. Allin and Erik Jones, *Weary Policeman. American Power in an Age of Austerity*, Routledge, Abingdon, Oxon, July 2012.

Southern economic dependence on the North varies across the South Atlantic, particularly between more advanced areas in South America and the far less developed Sub-Saharan African region. Even so, there are some common trends: countries of the South Atlantic tend to rely on North Atlantic markets for exported commodities, North Atlantic suppliers for manufactured goods and investment capital, and even labour markets in the North Atlantic for jobs and income.

The densest North-South links tend to be regional, corresponding to traditional spheres of interest. The EU is the predominant trading partner for its former colonies in Africa while the United States dominates Central American, Caribbean, and most South American trade. Mercosur, however, is an interesting and important exception. Despite its proximity to the United States, the South American bloc – which is dominated by the two largest economies in the South Atlantic, Brazil and Argentina – trades significantly more with the EU and China than it does with the United States.

Such continued reliance on North Atlantic economies as trading partners is partially the result of inadequate infrastructure which renders closer South-South economic integration less attractive. The European Commission has noted that it can cost as much for an African country to ship goods to a nearby country than it does to ship to China or Europe. Moreover, exporting to wealthier countries is often simpler and more efficient: it takes ten times longer to process a shipment of imported goods in Rwanda than it does in the global North.⁹

There is also a contentious complementarity of needs driving North-South trade. Most southern economies export natural resources and basic commodities – particularly fuels, mined commodities, and agricultural goods – required by more advanced economies for the production of higher value-added manufactured goods. Southern states then rely on North America, Europe, and China to provide those manufactured goods.¹⁰ Even for the relatively advanced Brazilian and Argentine markets, manufactured goods make up just one quarter of exports to the EU, contrasted with over 80 % of imports.¹¹ This pattern has long prompted concerns, with bodies like the United Nations Conference on Trade and Development arguing that dependence on exporting simple commodities may not augment capital in way which fuels long-term growth and sustainability, leaving commodities exporters undiversified and highly vulnerable to market swings.¹²

South Atlantic economies also depend heavily on North Atlantic states for the capital needed to fuel investments. The USA and EU together provide the vast majority of foreign direct investment (FDI) and official development assistance (ODA) to their southern neighbours. On this count, however, the position of Africa is markedly different from that of Latin America and the Caribbean (LAC).

LAC countries are generally more advanced than those in Sub-Saharan Africa, making more use of FDI but being generally less dependent on foreign sources for it. FDI inflows to the LAC region outweighed ODA by more than ten times in 2010, with the vast majority of inward FDI coming from the United

⁹ European Commission, *Africa, Caribbean, Pacific (ACP) website*: <http://ec.europa.eu/trade/creating-opportunities/bilateral-relations/regions/africa-caribbean-pacific/>

¹⁰ United Nations, *The State of Commodity Dependence 2012*, United Nations Conference on Trade and Development. Available at: http://unctad.xiii.org/en/SessionDocument/suc2011d8_en.pdf (Accessed 13 February 2013).

¹¹ European Commission, *DG Trade Statistics on Argentina*, 18 January 2013: http://trade.ec.europa.eu/doclib/docs/2006/september/tradoc_111470.pdf; European Commission, *DG Trade Statistics on Brazil-Eu Bilateral Trade and Trade with the World*, 29 November 2012: http://trade.ec.europa.eu/doclib/docs/2006/september/tradoc_113359.pdf

¹² United Nations, *Commodities and Development Report 2012*, United Nations Conference on Trade and Development. Available at: http://unctad.xiii.org/en/SessionDocument/suc2011d9_overview_en.pdf (Accessed 13 February 2013).

States.¹³ US investments in the region account for 20 % of all American FDI outflows, whereas China and the EU are both relatively small players in LAC investment.¹⁴ Latin America is also ultimately less dependent on foreign funds to stoke investment, with net inflows of FDI and ODA only accounting for around eight per cent of investment in 2010.¹⁵

Finally, many economies in the global south receive large amounts of income from remittances sent by citizens working in North America and the EU. This is particularly relevant in Central America and the Caribbean, where nearly seven per cent of the region's gross domestic product (GDP) is derived from workers' remittances. The situation is similar for African countries, if less pronounced. The typical African country takes in remittances amounting to between two and four per cent of GDP.¹⁶ Such arrangements raise issues around migration, which are examined in more detail later in this study.

2.2.1 Preferential Trade Agreements

The backbone of formal North-South relations is formed by a multitude of preferential trading arrangements. Some of these fall within the generalized system of preferences (GSP), which is an exemption from the non-discrimination principle of the World Trade Organization (WTO) which allows wealthier countries to extend preferential treatment to poorer economies, and which forms an important but indirect part of the EU's development efforts. Additionally, both the USA and EU have constructed preferential trade agreements with specific South Atlantic countries under Article 24 of the General Agreement on Tariffs and Trade (GATT), which permits the formation of regional trading groups.

While GSP and Article 24 agreements are not particular to North-South trade, there is a great deal of overlap between GSP-eligible states and the developing economies of the South Atlantic. The EU has a three-tiered approach to GSP. The standard scheme offers preferential access to EU markets for 6400 goods from 176 countries and territories. A second tier, GSP+, offers additional preference to countries which conform to international labour, environmental, governance, and human rights standards, a standard tool of norm dissemination.¹⁷ The most beneficial level of European GSP is the "Everything but Arms" (EBA) arrangement. EBA permits tariff-free and duty-free access to EU markets for the 48 least developed economies in the world, chiefly from Sub-Saharan Africa. It covers all but a small handful of goods as well as all arms and ammunition. Under EBA, countries will gradually lose their preferential access as they graduate from the United Nations' list of least developed countries.¹⁸

Aside from GSP, both the USA and EU have concluded North-South preferential trade agreements permissible under GATT Article 24. The EU is presently negotiating with Mercosur and has signed agreements with South Africa, Peru, Colombia, Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua,

¹³ World Bank, *World Development Indicators*. Available at: <http://data.worldbank.org/data-catalog/world-development-indicators> (Accessed 13 February 2013).

¹⁴ Eurostat, *EU direct investments - main indicators*, 17 December 2012:

http://epp.eurostat.ec.europa.eu/portal/page/portal/product_details/dataset?p_product_code=BOP_FDI_MAIN; World Bank, *Latin America and the Caribbean's Long-Term Growth: Made in China?*, The Office of the Chief Economist for Latin America and the Caribbean Region, September 2011.

¹⁵ World Bank, *World Development Indicators*; Author's calculations.

¹⁶ United Nations, *Commodities and Development Report 2012*.

¹⁷ European Commission, *EU Gives Developing Countries Duty-Free Access with GSP+*, Press Release Brussels; 9 December 2008: http://europa.eu/rapid/press-release_IP-08-1918_en.htm

¹⁸ European Commission, Everything But Arms, DG Trade website, 23 February 2012: http://ec.europa.eu/trade/wider-agenda/development/generalised-system-of-preferences/everything-but-arms/index_en.htm

Panama and Chile.¹⁹ The United States has established free trade agreements with Chile, Colombia, Panama, and the group belonging to the Dominican Republic-Central America-United States Free Trade Agreement - Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, and the Dominican Republic.²⁰

The EU also maintains an extensive system of preferences extended to former European colonies. The Treaty of Rome which established the European Economic Community (EEC) in 1957 granted special “associated” status to overseas territories with colonial ties to the six original EEC members. The ranks of these associated states grew through independence and EEC accession by the United Kingdom. From 1976 onward, relations with the former colonies were governed by a succession of agreements, known as the Lomé Conventions, granting preferential access to the EEC market. These states now number 79 and are now collectively known as the African, Caribbean, and Pacific States (ACP) countries, most of which are located in the South Atlantic. There have been questions raised, even by European Parliament studies, about the extent to which the EU-ACP relationship is unbalanced and would benefit from the recognition that the ACP countries might legitimately pursue their own priorities.²¹

Lacking an American colonial tradition, there was never a US equivalent to the Lomé Conventions. In fact, the USA and EU have disagreed sharply over European preference for its former colonies. These disagreements came to a head with the so-called “banana war” trade dispute in the 1990s, in which the USA and several other LAC countries successfully argued to the WTO that the EU’s preference for bananas grown in ACP countries was illegal.²² It is the case, therefore, that a good deal of North-North dialogue needs to occur to provide an approach that is unified enough to take to reformed North-South relations.

2.2.2 The Development Agenda

American and European interest in the South Atlantic is strongly influenced by the desire to improve the functioning of political institutions and stoke economic development. Simple trade agreements provide some scope for accomplishing these developmental ends: GSP+ and EBA both make use of development-minded conditions and rewards by improving market access for states willing to undertake reform. Even classic free trade agreements between North and South often include rules regarding labour and environmental standards. In 2010, for instance, the United States Trade Representative used labour rules written into the Dominican Republic-Central America-United States Free Trade Agreement to demand that the Guatemalan government ensure adequate working conditions for employees and the protection of collective bargaining rights, a progressive piece of conditionality.²³

¹⁹ European Commission, *The EU’s Free Trade Agreements -- Where Are We?*, MEMO/12/932, Brussels; 30 November 2012: [http://europa.eu/rapid/press-release MEMO-12-932_en.htm](http://europa.eu/rapid/press-release_MEMO-12-932_en.htm)

²⁰ United States Trade Representative, *Free Trade Agreements*. Available at <http://www.ustr.gov/trade-agreements/free-trade-agreements> (Accessed 3 February 2013).

²¹ European Parliament, *Ways and means to enhance ACP parliaments’ role in the formulation of the Country Strategy Papers (CSP) and parliaments’ oversight of the utilisation of the European Development Funds (EDF), especially in the context of budget support*, Study, 23 March 2005: [http://www.europarl.europa.eu/RegData/etudes/etudes/deve/2005/381353/EXPO-DEVE_ET\(2005\)381353_EN.pdf](http://www.europarl.europa.eu/RegData/etudes/etudes/deve/2005/381353/EXPO-DEVE_ET(2005)381353_EN.pdf)

²² World Trade Organization, *Bananas: Discussions Continue on a Long-Standing Issue*, Briefing Notes Hong Kong WTO Ministerial, 2005. Available at: http://www.wto.org/english/thewto_e/minist_e/min05_e/brief_e/brief22_e.htm (Accessed 13 February 2013).

²³ United States Trade Representative, Letter of US Trade Representative Ron Kirk and Labor Secretary Hilda Solis to the Government of Guatemala, 30 July 2010. Available at: http://www.ustr.gov/webfm_send/2114 (Accessed 13 February 2013).

The EU's relationship with the ACP countries has gradually taken on a stronger development orientation. The Lomé Conventions were superseded in 2000 by a new accord, the Cotonou Agreement. The new agreement was similar to GSP in that it unilaterally opened the European market to ACP goods; however, it was also borne out of disappointment with the economic performance of ACP countries under the Lomé rules. As a result, the new framework has encouraged the ACP countries to negotiate broader Economic Partnership Agreements with the EU. These Economic Partnership Agreements aim to enhance trading capacity, boost trade with local partners, and encourage development-friendly institutional reforms.

The Cotonou Agreement was revised twice by 2010 and will come up for review in 2015 and renegotiation in 2020. So far its record is mixed. The political cooperation fostered within this agreement remains popular and effective. Indeed, the ACP countries are committed to this form of dialog. The trade component has proven to be more challenging. The special exemptions under which the EU offered privileged trading relations to this group of countries expired in 2007. At the same time, the agreement needs to adapt to the growth of regional organizations and bilateral trading arrangements. Then there is the development component. This part of the agreement is successful and yet could be better targeted by moving away from the ACP countries as a group and focusing more specifically on least developed countries, whether or not they have an historic colonial relationship with Europe.

The future of Cotonou can unfold in any of three scenarios. The European Union could continue to maintain a comprehensive partnership with the ACP countries as a group alongside cross-cutting and overlapping trade and development partnership with individual countries and regional organizations. The European Union could maintain its political dialog with the ACP countries while directing trade through other channels and targeting development assistance to where it is most needed. Finally, the European Union could move away from Cotonou altogether. The choice is not obvious even if there is a clear need for adaptation and, in some quarters at least, a clear desire for change.

Due to the colonial past of much of the South Atlantic, development policy can be a delicate matter. Efforts to coax states into changing their economic or political institutions run the risk of appearing paternalistic, economically dogmatic, or self-serving. Nevertheless, North Atlantic countries pursue development goals in the South through a host of broad governmental, government-supported, and multilateral efforts. This is largely achieved through the use of targeted grants, conditional aid, or concessionary loans offered through institutions such as the US Agency for International Development, EuropeAid, EU member state aid agencies, and the World Bank. There is a great deal of scope for more coordination on these fronts, but now within the context of competitor states using international aid as an investment tool, without conditionality. The development market is now a competitive one.

3. NEW ACTORS AND ARENAS

A more inclusive transatlantic relationship would extend beyond the triangular relationship between Europe, North America, and Latin America. Ideally, it would help bring prosperity and stability to the African continent. Both North-South and South-South linkages are important in this regard. New actors from outside the Atlantic community are competing for attention across the South Atlantic, meaning in Africa as well as Latin America. These global actors are pursuing their own interests, which may or may not be the same as those for the Atlantic community as a whole.

China and India are obvious examples of new global actors with significant potential to compete in Africa and elsewhere across the Atlantic. The motivations of these countries are not the same and their potential is also very different; China is a more immediate influence; India's influence will grow over time.²⁴ Nevertheless, both powers are large enough to engage with the Atlantic community as a whole. By broadening the transatlantic relationship to encompass an explicit North-South dimension, the major actors in the region will be able to set more favourable terms for that engagement.

3.1 South-South Trade and Investment

The emergence of South-South links and cooperation, even though on an entirely new scale, is not per se a new development. Instead, current cooperation initiatives have a precedent in the Non-Aligned Movement of the 1950s and are often portrayed, especially by China, as a natural continuation of this legacy in order to dispel any notions of a new colonialism. Brazil and India, similarly, have a long-term link with parts of the continent, due to a shared history of immigration and emigration. Other emerging country players, such as South Korea and Turkey, have comparatively little experience or historic links with Africa, but appear to have copied part of the Chinese model in their effort to penetrate the region. South Africa and Nigeria, being part of the region and recipients of development aid, have only recently become more active sponsors of South-South cooperation, but appear natural leaders.

The growing presence of these countries has led to a redirection of trade away from Africa's traditional partners (mainly Europe and the USA) to new emerging partners. While in 1992 over 80 % of Africa's trade was conducted with these traditional partners, their share has fallen to 60 % by 2009. Simultaneously, the share of emerging countries in Africa's trade rose from 20 % to close to 40 %. In terms of trade and investment, by far the most important of these new actors has been China, representing around half of the total trade between Africa and the leading emerging countries. But others have also seen their trade grow rapidly over the 2002-2011 period, e.g. nine-fold in case of India-Africa trade, seven-fold in case of Nigeria-Africa trade and five-fold in case of Brazil-Africa trade.²⁵ While EU trade has grown at a relatively lower pace during this period, it still remains the most important trade partner for Africa, despite a sharp contraction during the 2008-2009 crises. In 2010, the EU represented 34 % of African trade compared to China's 12.5 % and 11.4 % for the United States.²⁶

The main reason for this growth in Chinese and emerging countries' trade with Africa has been their rapidly growing demand for crude oil, metals and agricultural products. This has been reflected in the

²⁴ Emiliano Alessandri et al., *China and India: New Actors in the Southern Atlantic*, The German Marshall Fund of the United States, Washington D.C., November 2012.

²⁵ Simon Freemantle and Jeremy Stevens, 'EM10 and Africa: new forces broaden Africa's commercial horizon', *Insight and Strategy Series*, Standard Bank (Canada), 16 March 2012.

²⁶ European Commission, *DG Trade Statistics on Africa*, 18 January 2013:
http://trade.ec.europa.eu/doclib/docs/2011/january/tradoc_147189.pdf

bilateral trade balance, with Chinese imports largely consisting of fuels and raw materials (~75 %). As a result, Chinese investment has tended to concentrate in resource-rich countries, such as Nigeria, Angola, Sudan, South Africa and the Democratic Republic of Congo. Angola has recently become China's most important trade partner in Africa and surpassed Saudi-Arabia as China's leading oil supplier.

At the same time, China's share of manufacturing exports to Africa has grown strongly from 5.8 % in 2000 to 19.5 % in 2009, while manufacturing exports from the European Union (less Bulgaria and Romania) declined from 57.4 % to 46 %.²⁷ This demonstrates that China's interest in Africa is not limited to resource extraction alone, but also includes opening access to new markets and acquiring strategic assets. To this end, China has undertaken a number of large-scale infrastructure investments in a number of African countries and according to some estimates Chinese contractors have been winning 50 % of all new public works projects in Africa.²⁸ Tied development aid, special economic zones, and generous soft loans from China's Import-Export Bank and the Chinese Development Bank have supported this rapid growth of investment.

Most forecasts predict that until the middle of the decade emerging countries trade and investment is going to grow further. According to Standard Bank, trade between Africa and Brazil, Russia, India, China and South Africa (BRICS) will increase threefold, from \$150 billion in 2010 to \$530 billion in 2015, while their FDI stock will swell from around \$60 billion in 2009 to more than \$150 billion by 2015.²⁹ However, the recent slow-down in the BRICS and emerging market economies suggests that trade and investment with Africa is unlikely to develop at the same rapid pace than over the past decade, while transatlantic trade is likely to recover somewhat.

3.2 South-South Development Cooperation

Although differences remain, emerging countries have generally provided development assistance in a different fashion than more traditional partners in Europe and North America. With the exception of South Korea (since 2010) these emerging countries are not part of the Development Assistance Committee (DAC) of the Organization for Economic Cooperation and Development (OECD) and are therefore not bound by the DAC's principles for effective aid and transparency. Moreover, emerging countries tend to fold foreign aid into a broad approach to relationship building that combines development assistance with export promotion and investment support and tends to blur the role of the public and private sector. In contrast to western development assistance, emerging countries aid is usually project focused and tied to conditions that ensure that a large share of the contracts awarded accrue to domestic companies.³⁰ At the same time emerging countries aid is often large-scale and geared towards a longer time-horizon, enabling investments into high risk projects that private actors would be reluctant to undertake.

As the leading emerging market investor and trade partner in Africa, China has been pioneering this new approach, which has been aptly doubt the Beijing Consensus.³¹ In contrast to western overseas development assistance, China and others have relied on alternative finance method or "Other Official

²⁷ Anna Katharina Stahl, 'The Impact of China's Rise on the EU's Geopolitical Reach and Interests in Africa', *European Foreign Affairs* No16, February 201, pp.427-446.

²⁸ William Wallis, 'Drawing Contours of a New World Order', *Financial Times Special Report*, 24 January 2008.

²⁹ Freemantle, *EM10 and Africa*.

³⁰ Chinese investments in Angola, for example, have required that 70 % of civil engineering contracts have to be awarded to Chinese companies, while 50 % of inputs have to be procured from China.

³¹ J. Cooper Ramo, *The Beijing Consensus*, The Foreign Policy Centre, London March 2004.

Flows”, which are difficult to track and not recognized as official aid by the OECD, in order to facilitate this approach. In particular, China and others have used the following methods:³²

- Export Credits: China is providing massive export credits to national exporters to support them in competing for overseas sales. In 2009, Chinese exports credits amounted to close to \$30 billion, compared with an average of \$4.2 billion for all of the DAC members between 2004 and 2008. Other emerging actors, such as India, have also increasingly used export credits.
- Resources for Infrastructure: China has frequently traded access to natural resources for large infrastructure investments in resource-rich African countries, such as Angola and the DRC. Previously used by Japan to finance investments in China, R4I is directly related to China’s own development experience and now widely used by other emerging countries.
- Mixed Credits: China and others have provided concessional loans, zero-interest loans, as well as debt-relief, as part of their investment packages in Africa. In case of China, the value of these commitments has been as high as €7 billion per year compared to €2 billion by DAC countries.

While this different approach to development cooperation has generally been welcomed by African countries, it has drawn mixed reaction from many western commentators, who have argued that it amounts to “rogue aid” and undermines the effective aid agenda.³³ In particular, western commentators have criticised the approach of China and other emerging powers with regards to the following issues:

- Corruption: Chinese aid does not require recipient countries to implement anti-corruption or good governance measures and Chinese companies have shown a propensity to use bribes. This has meant that the benefits of Chinese investments often tend to be concentrated amongst local elites and have a limited development impact amongst the wider population.
- Conditionality: China’s strict policy of non-interference has meant that China has refused to use its assistance to promote good governance or human rights. Moreover, in some cases China has directly undermined western attempts at using aid conditionality, by providing alternative sources of financing to repressive regimes in order to out-compete western donors.
- Low Standards: Chinese companies often offer low-wages and poor working conditions to domestic African workers, do not apply the same safety and environmental standards than western companies and aid projects, and reject responsible and sustainable investment standards. By relying on an investment model that puts others investors at a disadvantage, many commentators fear that China encourages a race to the bottom amongst investors in Africa.

3.3 Trilateral Cooperation and Multilateral Possibilities

The growing engagement of China and other emerging powers in Africa represents a challenge for the EU and the USA on various levels. Not only does it question their emphasis on aid effectiveness and conditionality as a focus for their development cooperation, but it also increasingly threatens their access to strategic natural resources on the African continent, where private western companies find themselves side-lined by government backed emerging market competitors. The presence of China is

³² AfDB, *African Economic Outlook 2011*, 6 June 2011. Available at: http://www.afdb.org/fileadmin/uploads/afdb/Documents/Generic-Documents/Media_Embargoed_Content/EN-AEO_2011_embargo%206%20Juin.pdf (Accessed 13 February 2013).

³³ Moises Naim, ‘Rogue Aid’, *Foreign Policy*, March/April 2007, pp.95-96.

also a challenge because it self-identifies as a member of the global south, despite being a net-donor and increasingly possessing the attributes of a member of the global north: its southern identity is a political expedient.³⁴ The EU and China have conducted a regular dialogue on peace, stability and sustainable development in Africa since 2006. In 2008, the European Parliament adopted a resolution urging the EU to develop a more coherent policy in order to respond to the challenges posed by China's engagement in Africa.³⁵ In response, the European Commission launched a proposal for a trilateral EU-Africa-China cooperation.³⁶ Some member states, most notably the UK, followed suit by attempting to develop own ways of cooperating with China in Africa. However, this attempt at North-South-South cooperation has held very few results, due to the reluctance of both African countries and China to engage in a substantial dialogue.

Although China has been a reluctant dialogue partner and remains keen to dissociate itself from traditional donors, other emerging powers have more actively pursued this kind of engagement.³⁷ In particular Brazil, South Africa and Mexico have been interested in a trilateral dialogue on Africa, while countries such as Brazil and the United Arab Emirates have also progressively moved closer to implementing the DAC principles of the OECD. The EU should further build on these existing efforts by expanding its trilateral dialogue with Brazil and other important emerging actors in Africa.

At the same time, the EU needs to acknowledge that some countries, such as China, are currently not interested in a dialogue that aims at their socialization into western aid standards. But it might also be helpful for the EU to understand that the Latin American states, in particular, have no desire to share the same relationship with China as they once did with European powers: an anti-colonial stance is strong in the region and colours much of the outward facing political rhetoric.³⁸ Instead, the EU's dialogue with China should focus on sharing lesson and best practice, encourage better reporting and identify overlapping interests – for example European support for regional integration and Chinese investment in regional infrastructure.³⁹ At the same time, the EU needs to remain conscious that in some areas China and Europe will remain competitors. In particular, this will require the EU to make greater efforts to develop an effective strategy for access to natural resources and reconsider its approach towards applying aid conditionality.

3.4 India as Well as China

At the moment, it is fair to say that India does not have a major strategy for expansion into the Atlantic regions. India's state bodies are not entwined with business interests in the way that China's are, and this is one reason that India's state has not proved itself capable of maintaining a very clear sense of

³⁴ Gregory Chin, 'China as a "net donor": Tracking dollars and sense', *Cambridge Review of International Affairs* No 25(4), December 2012, pp.579-603.

³⁵ European Parliament, *Resolution on China Policy and its Effects on Africa*, 23 April 2008. A6-0080/2008 / P6_TA-PROV(2008)0173.

³⁶ European Commission, *The EU, Africa and China: towards trilateral dialogue and cooperation*, Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions; COM(2008). 645 final:

http://ec.europa.eu/development/icenter/repository/COMM_PDF_COM_2008_0654_F_COMMUNICATION_en.pdf

³⁷ Jeremy Palitiel, 'Canada's China re-set: Strategic realignment or tactical repositioning? Re-energizing the strategic partnership', *Canadian Foreign Policy Journal* No18(3) September 2012, pp.267-72.

³⁸ Alessandri et al., *China and India*.

³⁹ Francesco Rampa and Sanoussi Bilal, 'Emerging Economies in Africa and the development effectiveness debate', *European Centre for Development and Policy Management Discussion Paper* No 107, March 2011.

purpose in international society in recent years. However, only a decade or so ago, China's presence in the wider world was also less clearly-defined than it is now.

For that reason, it would be unwise to assume that India will continue to remain regionally-bound in years to come. There is a growing sense that India needs to project a greater sense of itself to the wider world, and that economic growth and greater global integration will expand its horizons. If the ruling Congress party loses a national election to the opposition, there may be more nationalist incentives to create a sense of connection with areas well outside India's area of traditional concern, for several reasons.

Indian politicians and policymakers have expressed increasing anxiety about the greater Chinese global role, not only in strategic terms (for instance, over flashpoints such as the Arunachal Pradesh region in the northeast which is also claimed in part by China), but in a more existential sense, that China is achieving international prominence which India is denied. Indian policymakers remember the "Bandung" era of the 1950s to 1970s, when India led the Non-Aligned Movement and created a distinct transnational bloc of Third World nations that rejected placement within the Cold War blocs, and which involved significant connections in Latin America and Africa as well as Asia. That faded in the post-Cold War era, but in the right geopolitical circumstances, particularly with a growing Indian economy, the prospect of becoming an international exemplar again will be attractive. This might become particularly so if there were a repeat of the early 2000s, when the US president of the time was widely perceived as unilateralist in policy, leading to a greater plausibility for a leadership role by emergent powers with a more consensual image.

3.4.1 Common Resource Requirements

Despite their political differences, India and China share a considerable commonality of interest on the environment and the growing need for resources, which is affecting the way in which they engage with the nations of the South Atlantic. Both countries are immensely energy and resource-hungry as they seek to satisfy middle class demands. As both countries seek to develop a firm, domestic consumer-based economy, along with the continuing development of trade in goods and services, they will be concerned to cement relationships in the Atlantic, alongside the more geographically accessible regions of the Pacific and Indian oceans. In 2010, Chinese business deals with the countries of Latin America reached over \$100 billion in value.

Moreover, both countries have a strong interest in altering what they perceive to be a bias within the current global framework on climate change. Both China and India see the system as too generous toward the existing large industrial powers and careless of the concerns of developing nations. The huge populations of both countries (1.3 billion in China and 1.1 billion in India) give both of them a leadership role that enables them to combine priorities with countries on the Atlantic coasts, such as Nigeria and Brazil. Both of these are countries where China has a significant investment role, and Nigeria has a significant Indian minority estimated to be about 500,000 people. Over the next decade, the South-South dialogue on transnational issues such as climate change is likely to become stronger and more visible.

3.4.2 Cultural Diplomacy

One area where China has been making extensive top-down strides is in cultural diplomacy. Around the world, the establishment of Confucius Institutes has encouraged the learning of Mandarin, and has spread Chinese cultural power well beyond Asia. In July 2012, China announced that it would seek to train 30,000 African officials and offer 18,000 scholarships in an "African Talent Plan."

India has been slower off the mark although Indian cultural institutes are beginning to appear in Africa. However, India has one of the most powerful soft power instruments in global culture: Bollywood movies and music (worth around \$3 billion globally per year) have extensive presence in Africa and Latin America and provide a cultural entry point for India that is both familiar and welcome.

Overall, both India and China have the cultural advantage of being able to position themselves as powerful anti-imperialist actors. While western powers have tended to dismiss the legacy of colonialism as a purely historical issue, both South American and African nations retain anger at the colonial legacy as a central part of their political identities, and this gives leverage to the cultural discourse of both China and India. This enables South-South conversations to take place that western actors would find it hard to reproduce as for instance, at the Beijing Africa leadership summits.

3.4.3 Potential Counterbalance

The traditional powers, including the EU, will need to assure their interlocutors that their presence in the South Atlantic genuinely has something to offer the region and the existing conversations between them are meant to initiate a two-way dialogue that takes full account of the rising status of countries such as Brazil, Nigeria and South Africa. There are still opportunities. One of the most intriguing counterfactuals, despite the emergence of a conventional wisdom about a rising BRICS block, is the lack of interaction between the key South-South actors. Specifically, the interaction between India and China is much less extensive than rhetoric sometimes suggests.

One single statistic that is suggestive is that there are only four direct weekly flights between Beijing and New Delhi; there are at least this many flights daily connecting each of these capitals to London, Frankfurt and Paris. Nor are there extensive transport connections to South America or Africa, despite growing links.

This lack of engagement owes a great deal to recent history. In particular, the Sino-Indian border war of 1962, although it was short, continues to cast a long shadow over Indian perceptions of China and its aims. China, in turn, regards India as a very secondary player in the world community (although just as for Europe, Beijing would be unwise to underestimate India's capacity to develop its strength). While relations between New Delhi and Beijing are not in any sense heightened, and unlikely to burst into hostility, they do not show the commonality of culture or of interest that makes the two countries likely partners. In addition, India is also simply in a lower tier of global engagement. China's per capita GDP is \$8400, whereas India's is less than half of that, at \$3600, and its resources for expansion of its influence are simply less than China's – for now.

However, the reality is that there is significantly more engagement between the rising nations of the Atlantic community and the new Asian rising powers than was the case five or ten years ago. The very coldness between China and India is showing signs of developing a rivalry that may lead to more, not less, engagement with Latin American and Atlantic actors as the two compete against each other for influence.

Global relationships are changing profoundly. A decade and a half ago, the level of Chinese engagement with Latin America and Africa was hard to conceive, including for many Chinese. There is no reason to believe that the current growth in engagement will lessen, or that India will reduce its ambitions to rival China for influence. Furthermore, the South Atlantic remains one of the least-developed areas in terms of geostrategic relationships. Europe has an opportunity to develop those links, but it must do so in the knowledge that the west is no longer the only interlocutor for the Latin American and African nations of the region.

3.5 Implications for Europe and the Americas

South-South relations are about more than just commerce because they have implications for economic development, democracy promotion, human rights protection and across many other dimensions. Moreover, that influence will only grow as more emerging market actors become involved both in Africa and in Latin American. Hence it is a priority for Europe and the Americas to forge a coordinated response.

This agenda hinges on the ability of the European Parliament to reassure the countries of Latin America that it is not pushing an agenda to mimic European integration or to harness Latin American resources to European goals.⁴⁰ Instead it should emphasize that stronger institutions within Latin American and stronger relations across the Atlantic as a whole are essential to achieving Latin American objectives along a South-South axis, both in addressing the complicated relationship with Africa and in levelling the playing field with respect to rising powers and increasing market opportunities in Asia.

A stronger transatlantic community offers a better prospect for engagement with China across an array of issues that goes well beyond trade and investment. Too often, China is viewed both in Latin America and in Africa as a one dimensional actor whose economic agenda takes precedence over everything else. A united Atlantic community could help encourage China to take a wider perspective and so play a more constructive role in protecting the environment, promoting political stability, and fostering sustainable development. A united Atlantic community could also engage with the Indian sub-continent and so lay the foundations for a sustainable expansion of Indian economic relations while at the same time developing a counterbalance to China's influence.

⁴⁰ For an example of this practice analysed in another context see: Toni Hastrup, 'EU as mentor? Promoting Regionalism as External Relations Practice in EU-Africa Relations', *Journal of European Integration*, January 2013, pp.1-16.

4. AREAS OF POLICY CONVERGENCE

The new transatlantic relationship is not simply a defensive posture. To be sure, the transatlantic community faces perennial challenges and new competitors. However, it also offers the promise of laying new foundations for progress. There are many issues that cannot be tackled by the old transatlantic partners acting alone. Some of these are security-related, like the proliferation of non-state actors or the strengthening of global norms to prevent nuclear war. Other areas for consideration have to do with energy, and the environment. They reflect the importance of fuelling and feeding the world without exhausting our natural resources. A new transatlantic relationship also reflects the reality that people matter and that immigration, development, and prosperity are inextricably intertwined.

The new security challenges derive from the post-9/11 context. The vital lesson of the Al Qaeda attacks was not about the threat of Islamic fundamentalism so much as it was about the volatile intersection between violent terrorist networks and illicit cross-border finance. 9/11 also underscored the importance of harnessing control over nuclear materials and preventing the spread of nuclear weapons. Actors in the South Atlantic have much to contribute in forging an effective response. They have paved the way in limiting the trade in conflict minerals; they are a critical arena for combating terrorist networks; and they are a strong source of support for creating a nuclear-free world.

The countries of the South Atlantic are important to achieving a balance between economic activity and environmental preservation as well. They offer an important reservoir of food and resources; they also contain delicate ecosystems and irreplaceable habitats. The old transatlantic partnership cannot meet its environmental requirements acting alone and it cannot bring along partners in the South Atlantic without taking their concerns for industry and development on board. Working together, however, a broader transatlantic community can forge a new model for development.

Such development is essential not only to preserve the environment but also to limit the flow of illegal immigration. Such immigration flows primarily from South to North and imposes unacceptably high costs on all parties involved. Those countries that experience illegal emigration lose human capital; those countries that receive illegal immigrants experience negative consequences as well. But it is the immigrants themselves who suffer the greatest consequences. In the worst case, they are subject to human trafficking. Even in the best case, however, they are uprooted from their families, communities and cultures.

4.1 Security Threats: Non-state Actors and Non-proliferation

The context for transatlantic security cooperation has changed dramatically over the past decade. The power shift to Asia and the relative decline of the transatlantic alliance have meant that earlier notions of a global transatlantic community of values is a highly contested notion, but not one that can be conclusively consigned to history. Similarly, the mixed performance of the alliance in Iraq and Afghanistan together with unresolved problems in the Balkans and Africa have meant that transatlantic support for nation-building has become too closely tied with budgetary issues. Instead, the transatlantic allies have increasingly made common cause in order to address a number of unconventional challenges in the security realm that have been on the rise within the more complex and diffuse emerging global security environment. As a result, homeland security, transatlantic counterterrorism cooperation and nuclear and conventional non-proliferation have all come to play an increasingly central role within the emerging security context. In the South Atlantic, piracy and the rise of radical non-state actors in Africa have emerged as a new transatlantic security concern. However, in order to more effectively address these new challenges, the transatlantic partners could benefit from greater security cooperation with some of the new emerging powers. This section explores the growing scope

and potential for greater North-South cooperation on three particular topics: piracy, terrorism and nuclear proliferation.

4.1.1 Piracy in the Gulf of Guinea

The rise in international piracy and other dangerous non-state maritime security actors has been a much-noted consequence of the new international security environment. The growing density of maritime flows, the relative decline in transatlantic maritime capabilities and the spread of ungoverned maritime spaces around failing states have encouraged this growth of piracy and illicit criminal maritime flows. In the Gulf of Aden and the Indian Ocean, the growing threat of piracy attacks has galvanized the international community into action. Transatlantic allies have been coordinating their anti-piracy cooperation around the Horn of Africa through the US-led Operation Enduring Freedom, as well as European Union Naval Force Atalanta, the EU's first maritime security operation, launched in 2008. Moreover, anti-piracy operations around the Horn of Africa have provided a powerful precedent for North-South security cooperation, given the simultaneous presence of maritime contingents from countries such as China, Russia and India. To assist the coordination between the various multinational forces the Shared Awareness and Deconfliction initiative (SHADE) was set up in 2008 in order to promote greater North-South information exchange and coordination. The results of these various actions have been palpable, with piracy attacks in the region plummeting to their currently lowest level since 2009.⁴¹

In the South Atlantic region, piracy has become a growing concern in particular around the Gulf of Guinea, where piracy attacks in contrast to the East African theatre have risen by 42 % in 2011 alone.⁴² Surrounded by some of Africa's largest oil producers, including Nigeria, Angola, Gabon, Ghana and Equatorial Guinea, the area has become a transit hub for oil shipments and has seen a growth in cargo traffic as a result of instability at the Horn of Africa. Pirate attacks in the Gulf of Guinea have focused on the theft of oil, cocoa and valuable mineral products and have therefore tended to be more violent than those around the Horn of Africa, which have concentrated on hijacking and ransom. Regional instability and the presence of a number of poorly governed and criminal regimes have, moreover, provided pirates with safe havens and allowed them to build up regional support networks that often overlap and connect with the flourishing traffic of narcotics from Latin America to Europe. The regional impact on maritime traffic and oil extraction has been considerable.⁴³

Simultaneously, the Gulf of Guinea has become a location of growing international competition for hydrocarbon resources and influence. The USA and Europe have both increased their oil supplies from West Africa in recent years, China has made substantial infrastructure investments in Nigeria and Angola with Angola recently overtaking Saudi Arabia to become China's largest oil supplier. Brazil, which has a long-standing relationship with Lusophone Africa, sees West Africa as part of its security interests and remains resistant to the presence of other actors. While these overlapping interests represent a challenge, similarly to the situation at the Horn of Africa, they may yet provide an opportunity for North-South cooperation.

⁴¹ Mike Pflanz, 'Pirate attacks off Somalia plummet thanks to navies, armed guards', *Christian Science Monitor*, 30 October 2012. Available at <http://www.csmonitor.com/World/Africa/2012/1030/Pirate-attacks-off-Somalia-plummet-thanks-to-navies-armed-guards> (Accessed 13 February 2013).

⁴² Rick Nelson and Aaron Ware, *An Emerging Threat? Piracy in the Gulf of Guinea*, Centre for Strategic and International Studies, Washington D.C., 8 August 2012.

⁴³ Some estimates suggest that around 7 % of Nigerian oil wealth is lost each year, while maritime traffic in Benin has contracted by 70 % as a result of these attacks.

The United States and the European Union have taken first steps to address the growing piracy problem. The USA has provided some \$35 million in order to train and equip local forces, while the EU will provide €4.5 million for the training of local coastguards and in order to establish a network to share information through its Critical Maritime Routes in the Gulf of Guinea Programme.⁴⁴ France also maintains a permanent mobile naval base in the Gulf of Guinea to conduct naval diplomacy.⁴⁵ All of these international actors need to work together to develop a comprehensive counter-piracy strategy for the Gulf of Guinea.⁴⁶ There is also potential for coordinating security assistance to African navies with emerging powers such as South Africa, Brazil and China.

Ultimately, however, stepping up security will not be enough. Any sustainable solution to the piracy issue will have to address the economic and governance deficit in the region. This similarly will require the active cooperation of countries like China, which have the potential to undermine transatlantic good governance initiatives as argued in section 4, above.

4.1.2 Arms Trade and the Proliferation of Weapons of Mass Destruction

As a result of the collapse of the Libyan regime and the continuing instability in North Africa and the Middle East, there has been a growing threat from the proliferation of sophisticated conventional weapons. Following the downfall of Muammar Gaddafi, Libya's large arsenal of tanks, mortars, rocket-propelled grenades and man-portable air defence systems (Manpads) was released not only into the Middle East, but to other grey and black-markets across the southern Atlantic area. The illicit trafficking of weapons across the Sahel and beyond has been part of a broader network of criminal and terrorist activities that include the smuggling of drugs, humans and arms through established transmission routes.⁴⁷ Particularly worrisome for the enforcement agencies of the broader transatlantic area is the disappearance of some 10,000 Manpads from the Libyan arsenal, which represent a threat to civilian airlines and provide radical groups with a small measure of deterrence against air power.⁴⁸ There are also wide-ranging concerns about Libyan and Syrian weapons of mass destruction stocks, which are yet to be fully accounted for, and remain at risk even if held under government control currently.

EU and US security agencies have cooperated broadly in order to track down and secure stockpiles of weapons of mass destruction (WMD) and sophisticated conventional weaponry. However, greater cooperation with regional governments and regional organisations in order to stall the flow of weapons and contraband will be necessary. There is also a need for a greater dialogue with emerging powers on non-proliferation, disarmament and export-controls in order to stall the flow of weapons and illicit material to non-state actors and rogue regimes, but within the shared values of reducing instability rather than in a way that fuels a narrative of disarming the developing world. Having already succeeded in limiting the trade in conflict diamonds, regional actors are well placed to now address other illicit flows, including arms. Nuclear proliferation, finally, represents a relatively distant challenge for the South Atlantic partners, given the absence of nuclear powers from Africa. Instead, countries like South

⁴⁴ European External Action Service, *New Initiative to Combat Piracy in the Gulf of Guinea*, Press Release, Brussels; 10 January 2013: http://europa.eu/rapid/press-release_IP-13-14_en.htm

⁴⁵ Centre D'Enseignement Supérieur de la Marine (CESM), "'Corymbe" A Permanent Mobile Base in the Gulf of Guinea', *Brèves Marine* No. 144, 3 April 2012.

⁴⁶ International Crisis Group, 'The Gulf of Guinea: The New Danger Zone', *Africa Report* No195, 12 December 2012.

⁴⁷ Joelle Burbank, 'Trans-Saharan Trafficking: A Growing Source of Terrorist Financing', *Occasional Research Series*, Centre for the Study of Threat Convergence, Washington D.C., September 2010.

⁴⁸ Morgan Lorraine Roach, and Jessica Zuckerman, 'MANPADS on the Loose: Countering Weapons Proliferation in North Africa and the Sahel' *Heritage Foundation Issue Brief* No 3763, 5 November 2012.

Africa and Brazil represent natural allies for the transatlantic partners in their attempt to address nuclear proliferation.

4.2 Energy and the Environment

The southern Atlantic area presents two main opportunities for the EU in terms of broadening the Atlantic community: the first is that energy production is not expected to grow in Europe, and its existing reliance on Middle Eastern oil has come at the cost of being involved in a number of costly and unpleasant wars of influence and access. A switch in emphasis to the Southern Atlantic would relieve some of the pressure of being involved in the Middle East, and leave this “Great Game” dynamic to Russia, China and India. The second is that the energy sector offers a route into a wider and cohesive transatlantic community. In recognising that there are genuinely beneficial reasons to form a common “Atlantic basin energy system” which makes use of the increased demand (both North and South), the high price of energy, and the expertise and investment monies available from the northern Atlantic members, a degree of autonomy can be forged for the Atlantic community. Such a system would then lend itself to further kinds of cooperation, such as in maritime security and common legal frameworks. The barriers to forming this community can be found in the maintenance of the status quo: that is that the countries of the southern Atlantic pursuing national energy strategies.

The two main trends for the EU are first the increasing dependence on imported oil and gas and second the drive to greater efficiency and a more environmentally-friendly energy approach. At the same time, the global energy environment is undergoing a significant transformation. International demand for and consumption of energy is rising, but new, unconventional forms of energy, such as shale gas and shale oil are being exploited as a result of technological advances. They are also altering the structure of international markets.

This offers a mixed, complex picture for the EU. Possibilities exist for cooperation with what would be essentially “new” regions. But there are also potential policy challenges, direct and indirect. The transatlantic link can play an important role in diversification of source, partner and transit route, but policies adopted by states on the two relevant continents may not pursue a similar policy agenda to that laid out by the EU.

4.2.1 The Evolving Transatlantic Energy Context

The transatlantic link is potentially important for the EU’s diversification policy. Currently, the EU as a whole has only a limited supply relationship with the two continents: most energy imports come from non-EU European states, Eurasia, North Africa and the Middle East.

Yet North America will remain the second largest regional energy producer, a position enhanced by the development in North America of unconventional gas and oil, particularly in North America, in the USA, and Canada. The exponential development of shale gas in the USA is contributing to the USA becoming self-sufficient in energy requirements. It may also contribute to an evolution in the international energy market, as the USA may become a major exporter. Shale gas could be exported as Liquefied Natural Gas (LNG), which would contribute to overcoming the current regionalisation of the gas market natural gas pipeline framework. The USA cannot be seen in isolation, however, there are strong reasons for it to see itself as part of the wider Atlantic energy community – an “Atlantic basin energy system” - too. It has been projected, by the German Marshall Fund, that by 2035 the Atlantic basin will account for 20 % of global energy needs, 33 % of refined oil products, 35 % of gas production, 60 % of shale gas reserves

and 70 % of the world's renewable energy.⁴⁹ Of greater importance, however, is the extent to which this geographic area is cohesive in terms of its ability to provide supply, where the demand falls, what its investment requirements are, and where they might be fulfilled. It is this rich mixture of facets that should provide adequate motivation to governments in all parts of the Atlantic to seek to transcend the national energy security approach that is prevalent today.

Similarly, the South Atlantic may offer possible opportunities for enhancing the security of energy supply through diversification. This has been classically thought of in terms of oil, but this is also the case for wind-energy as 64 % of the estimated 200GW of wind energy exists in the Atlantic.⁵⁰ Mexico is already one of the world's major oil producers and exporters, and is a major crude oil supplier to the USA. Enhanced technology facilitates the exploration and exploitation of resources in the deep-water Gulf of Mexico, Brazilian pre-salt oil reserves in the Santos Basin and the Venezuelan Orinoco oil belt. The discovery of oil in the Santos Basin in 2006 is one of the largest oil discoveries in the Western hemisphere in 30 years, and Brazil is one of the leading producers of shale oil and by 2020 could rival Mexico in oil export at some one million barrels per day. Similarly, Venezuelan tar sand oil reserves are considered to be amongst the largest in the world.

These opportunities are technologically complex. But although the accident at the Macondo well caused a hiatus in drilling in the region and considerable vocal US opposition to developing such resources, increasing numbers of licences are once again being given for deep water drilling, and production again appears to be growing. Deep water drilling off Brazil was hardly affected by the Macondo accident.

There are certain political and practical limitations, however, to enhanced energy supply convergence. First, while production is increasing, the production, especially in growing economies like Brazil, is likely to be absorbed by domestic consumption. In Brazil, energy consumption has grown by one third in the last decade, although some of the sharpness of these increases has been mitigated by the measures taken by the Brazilian authorities to emphasise energy-efficient and low-carbon options. These increases in demand also provide an opportunity for European experts to work with Latin American suppliers to improve extraction techniques and technologies, which coupled with European investment funds provides benefits to all. US domestic consumption is also likely to grow further, and although shale gas production is booming, there is not consensus about the desirability of exporting the gas, when cheap domestic gas could be used to fuel domestic economic growth.

Second, some political difficulties exist which affect the desirability of investing in developing South American energy reserves. Although governments in the region have sought to increase production significantly reforms are still necessary in their largely nationalised energy sectors to encourage investment. To allow major foreign investment in the energy sector in Mexico, for instance, requires a change in constitution, which in turn requires a two-thirds majority in the parliament. A diluted version of the reforms is more likely. At the same unclear ground rules for investment in the energy sector, combined with a history of state expropriation of foreign investments have not dissuaded Russia, China and others from investing heavily in Venezuelan energy to buy oil stocks. So there are risks and the markets are already competitive. Where there are risks in this region, and these include increased incidence of piracy against oil containers for example, there are opportunities for greater cohesion and these will necessarily fall on finding ways of joining up surveillance efforts, creating common legal

⁴⁹ Paul Isbell, *Energy and the Atlantic: The Shifting Energy Landscape of the Atlantic Basin*, The German Marshall Fund of the United States, Washington D.C., December 2012.

⁵⁰ Isbell, *Energy and the Atlantic*.

frameworks and procedures for dealing with captured criminals, and finding the common capabilities to re-take hijacked ships.⁵¹ The inspiration to move beyond narrow nationally defined energy security policies and move towards an Atlantic energy system may come from increased operating risks.

Third, the changes in the international energy market as a result of the shale gas boom may have negative knock-on effects on European economic and energy policy. While cheap gas may prove to stimulate US economic recovery, with some positive effects on the wider international economy, there are two possible downsides. First, cheap energy – natural gas prices are now at their lowest for ten years – improves the competitiveness of US firms against European companies. If the USA exported the gas, it would be as LNG, which is more expensive for the buyer. Second, although shale gas is a possible solution for climate change problems, as it is more environmentally friendly than coal, a market dominated by cheaper gas reduces the competitiveness of renewable sources of energy, which the EU champions.

4.2.2 Environment

There is less cause for optimism regarding policy convergence regarding environmental policies. A mirror image of the energy supply situation exists: Venezuela and Brazil have offered support for environmental and climate change policies advocated by the EU. Both have called for the extension of the treaty beyond 2020. At the same time, while Brazil's emissions have fallen because of a reduction in deforestation, emissions as a result of energy use are rising, and will soon become the primary source of emissions. But Brazil remains committed to enhanced environmental protection measures, and it is highly active in this regard.

North America, however, is a less auspicious partner. Europe has not been able to persuade the USA to join its international climate change projects. The long-term opposition of the USA to the Kyoto Protocol is well known. The USA will commit only to a treaty that applies equally to the major emerging countries, including China, Brazil and India. As with the possibility of exporting shale gas, attempts to reduced carbon emissions encounter significant domestic opposition, which does not want to limit or undermine domestic economic growth.

Similarly, Canada opposes an extension of the treaty until the requirements for developed and developing countries are balanced. Indeed, Canada has legally withdrawn from the treaty and its greenhouse gas emissions exceed by 23 % its target originally set in the Kyoto protocol.

4.2.3 Room for Increased Cooperation

That the transatlantic link does not play a greater direct role in European energy security is surprising, given the both the European drive to diversify and the vast resources available in both North and South America. The EU already imports 14 % of its coal from Colombia, and some LNG from Trinidad and Tobago, and more LNG and oil imports from both North and South America would help to diversify the EU's sources, partners and trade routes. There are, however, large areas of synergy that would make initiatives to create a common Atlantic energy community sensible. Increasing southern demand for energy, coupled with European and American demands to diversify energy risk, added to northern technical expertise and investment funding make a compelling case for energy to be the first policy sector that widens the transatlantic community. In doing so, it creates enhances the autonomy of the Atlantic area away from the current emphases on unstable regions for natural resource, but it also

⁵¹ John Richardson et al., *The Fractured Ocean: Current Challenges to Maritime Policy in the Wider Atlantic*, The German Marshall Fund of the United States, Washington D.C., December 2012.

provides the means by which to manage the rise of China, rather than trying to exclude China from the region altogether. What is more, this common area opens the possibility of increasing the economic prosperity of all those involved by matching investment and technological potential with demand profiles and equity.

However, in the areas of environmental and climate change, there is likely to be less policy convergence with either North or South America, despite the latter's support for extending the Kyoto protocol, because of increasing intensive energy consumption. It will be necessary for the global north to invest heavily in the global south to bring in energy efficient technologies that draws up southern development so that it sits on a par with the north far more quickly than might have been anticipated. Without doing this it will impossible for the global north to press the case that the south needs to "go green".

4.3 Transnational Crime and Migration

A third area for policy convergence is the spread of organized crime.⁵² The increased span of control of criminal networks can be witnessed in drug trafficking, the illicit trade in firearms and counterfeits, human trafficking and migrant smuggling alike. Annually, hundreds of billions in "dirty" currency flows around the globe. The largest legitimate markets, the EU and the United States, are also the worlds' preferred illicit markets. These "dirty flows" distort local and sometimes national or international institutions and leave traces of corruption, conflict and human rights violations. Together with persisting income inequalities, the human insecurity generated by such underground activities remains the prime push factor for immigration from the South to the North Atlantic. When legal ways to migrate are blocked, the illegal way can be chosen – enabling criminal networks to further exploit vulnerable individuals.

Twenty-first century organized transnational crime is highly sophisticated in terms of its technical and capital underpinnings, its networks through society and the extent of its reach across borders. Powerful criminal networks tend to operate in various countries or continents at the same time, thereby resembling legitimate multinational corporations in its employment patterns. At the same time, they show a high level of flexibility and adaptability regarding the location of bases and modus operandi. Illicit goods often pass through multiple jurisdictions before reaching the consumer. Indeed, professional networks have the propensity to corrupt businessmen and public officials, with the result that trade can go (purposefully) unnoticed and law enforcement efforts are pre-notified to criminal ringleaders.

Rooting out trafficking and other forms of transnational crime completely is not possible, but most countries in the North Atlantic sphere have been at least moderately successful in keeping these networks suppressed. A focus on common values, like for example the strongly enforced rule of law, anti-corruption cultures and increasingly integrated systems of communications and data sharing are at the heart of curbing illicit international activities.⁵³ In addition the USA and Europe still offer substantial (legal) sources of income as well as protection against the violation of individual human rights. In contrast, in the South Atlantic, the situation remains challenging and in some places, notably West

⁵² United Nations Office on Drugs and Crime, *The globalization of crime. A Transnational Organized Crime Threat Assessment*, Vienna 2010. Available at http://www.unodc.org/documents/data-and-analysis/tocta/TOCTA_Report_2010_low_res.pdf (Accessed 3 February 2013); See also Misha Glenny, *McMafia: A Journey through the Global Criminal Underworld*, Knopf Doubleday Publishing Group, New York, 2008.

⁵³ Ben Bowling, *Policing the Caribbean: Transatlantic Security Cooperation in Practice*, Oxford University Press, Oxford, 2010.

Africa and some parts of the Caribbean, criminal networks have found fertile grounds for their practices. The expansion of illicit activities in the South Atlantic jeopardizes the development of economies, as well as the development of governance and human rights practices, whilst it also puts increased pressure on the global North, which is the main end-recipient of goods and 'services'.

Trading routes differ from one illicit good to another and some routes are easier to divert than others. The cocaine trade, as well as the illegal arms trade, tends to cross the Atlantic. Others remain predominantly on one side of the Atlantic. Human trafficking can start at any point in the southern Atlantic area. Of this "trade", between 2007 and 2010, 460 different flows were identified, be it for sexual exploitation or other (non-sexual) forms of forced labour.⁵⁴ In contrast, only a limited number of regions produce cannabis resin, cocaine or opiates. A striking fact remains that the major economic powers are involved in the great majority of illicit flows of goods, services or human beings. The group of seven leading industrial nations plus Russia (G-8), complemented by Brazil, Russia, India, China and South Africa (BRICS), are most of the time the preferred outlet markets, though sometimes - as with arms trafficking - appear also on the producer side.

4.3.1 Narco-trafficking

The illicit drugs trade finances many other criminal activities, and as an issue area binds the whole Atlantic area. Especially the cocaine trade poses great risks to producer, transit and consumer countries. The International Criminal Police Organization, also known as INTERPOL, and the United Nations (UN) Office on Drugs and Crime value this outlawed trade steadily at around \$80 billion per year. Nonetheless, respective national market sizes have changed over the past decade and so did the trafficking routes. In 1998, the United States' cocaine market was estimated to be four times bigger than that of Europe. Since then, the US market share has decreased to around \$37 billion, while Europe's has increased to around \$33 billion.

The threat from the Latin American narcotics trade continues to grow. Thus promoting cross-cutting relationships based on technical expertise and shared practices, in addition to supply-side curtailments are highly necessary steps for European, United States and Canadian leaders to take. The rise of demand in East and Central Europe (and supply routes through the Balkans) is one of the main factors of that growth.⁵⁵ Nevertheless, even if cocaine abuse is on the rise in that part of Europe, the United Kingdom, Spain and Italy keep counting together for two-thirds of Europe's cocaine consumption.⁵⁶

The cocaine trade originates predominantly in Colombia, Venezuela, Bolivia and Peru. Cocaine reaches the USA and Europe most often through Mexico or the Caribbean. For the USA this flow covers around 90 % of the cocaine received. However, since around 2004, routes to Europe have diversified and West Africa has become a major hub. Nigeria and Ghana are greatly affected and recently Guinea-Bissau was subjected to what has been referred to as a "cocaine coup". The influx of criminal networks has quite

⁵⁴ United Nations Office on Drugs and Crime, *Global Report on Trafficking in Persons 2012*, New York December 2012. Available at http://www.unodc.org/documents/data-and-analysis/glotip/Trafficking_in_Persons_2012_web.pdf

(Accessed 3 February 2013).

⁵⁵ International Narcotics Control Board for 2011, 'Report of the International Narcotics Control Board for 2011', Publishing and Library Section, United Nations Office, Vienna, 28 February 2012, p. 65.

⁵⁶ United Nations Office on Drugs and Crime, *The Transatlantic Cocaine Market*, Research Paper, April 2011. Available at: http://www.unodc.org/documents/data-and-analysis/Studies/Transatlantic_cocaine_market.pdf (Accessed 3 February 2013).

rapidly turned West Africa from a model of development to a rather unstable, insecure region that is increasingly a source of business risk and international terrorism. The political and economic situation in Mali, Mauritania and the Libyan deserts could clearly spread this instability further north. The main ports of entry for drugs in Europe remain Spain (proximity and cultural ties with South America) and the Netherlands (large ports and cultural ties with the Caribbean). Traffickers have been able to strengthen their flexibility by adding purchased second hand commercial aircraft and containerized shipping to their operational mix. Together with the traditional practice of combining a large mother ship in international waters with less traceable local vessels in national jurisdictions, criminal networks behave almost as lucrative transnational companies.

Traffickers in opiates (opium and heroin) and amphetamine-type stimulants also increasingly use the fragile West African states for part of their activities. Nigeria has emerged as an important distribution hub for heroin produced in Afghanistan, Pakistan, the China-Laos-Myanmar region and Central Asia. In East Asian amphetamine markets, drugs from West Africa are on the rise. With regard to cannabis, the key source of resin remains Morocco, but the illicit cultivation of plants has dramatically expanded in Europe and in Africa, due to the involvement of organized criminal groups.

4.3.2 Illegal Immigration and Human Trafficking

In past decades, both Europe and the USA have witnessed substantial changes in immigration stocks and flows. In 2010, immigrants accounted for 6.5 % of the EU population and for more than 10 % in the largest member states.⁵⁷ In the USA, this is around 12.5 %. The already substantial influx of legal immigrants is compounded by large flows of irregular arrivals. Illegal immigrant flows tend to originate in the South Atlantic space and put great pressure on the southern borders of the USA and Europe. Flows crossing the Atlantic remain small. Irregulars tend to come into Europe through North Africa or the Balkans; the main countries of origin for the United States are Mexico and increasingly other Central American countries caught up in gang violence and poverty, such as Guatemala, Honduras and El Salvador. On both sides of the Atlantic, the vast majority of illegal migrants are assisted by professional smugglers. And in both settings, the actual routes and crossings points can shift rapidly in response to border security enforcement efforts in one place – redirecting the flows to another.

Also in the trafficking of human beings for sexual exploitation or other non-sexual forced labour, transatlantic journeys remain the exception. Most victims of human trafficking end up within the same region, moving from poorer to more affluent places. For Western and Central Europe, an estimated 64 % of the victims come from inside the region, with crossings into the EU originating for the vast majority in the Balkans. West Africa comes second, with an estimated 14 % of the origin of total trafficked persons into Europe.⁵⁸ In line with general immigration flows, human trafficking into the USA has its roots predominantly in Central America and the Caribbean. Emphasis on the shared values across the Atlantic community are required to tackle the negative connotations from migration – from mitigating the “brain drain” from net-exporters of human resource to mitigating some of the social and cohesion costs of net-importers.

⁵⁷ Eurostat, *Migration and migrant population statistics*, 12 December 2012 :

http://epp.eurostat.ec.europa.eu/statistics_explained/index.php/Migration_and_migrant_population_statistics

⁵⁸ United Nations Office on Drugs and Crime, *Global Report on Trafficking in Persons 2012*.

4.3.3 International Policy Frameworks and Action Plans

A wide range of forums and organizations at the global, regional and local levels give substantial political attention to combating transnational organized crime. It is clear that the transnationalisation of organized crime has outpaced the national and regional frameworks that exist to combat it. A range of international conventions and treaties forms a rather substantial pre-existing global framework for international cooperation, to which the entire Atlantic community is politically committed. These include:

- the UN Convention against Transnational Organized Crime;
- the UN Convention against Corruption;
- the UN Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances (in combination with the Single Convention on Narcotic Drugs of 1961 as amended by the 1972 Protocol and the 1971 Convention on Psychotropic Substances);
- the UN Global Plan of Action to Combat Trafficking in Persons;
- the UN Conventions on Terrorism;
- the UN Convention on the Law of the Sea (especially article 19);
- the UN Millennium Development Goals.

Parties to these conventions commit to encourage international cooperation by providing measures for extradition, mutual legal assistance, training and technical assistance. They also commit to step up law enforcement and to check vessels suspected of containing illicit goods in national waters. Despite the paper commitments, significant challenges remain in the areas of knowledge and research, capacity building and legal development. But the greatest challenge lies in the implementation and enforcement of legal provisions.

The European Commission's role in this policy area is largely limited to the coordination of Member States' activities. Most of the responsibilities for investigations and prosecution remain at the national level, leaving the EU with only few tools of leverage. One of the main EU efforts is aimed at gathering and sharing reliable crime figures as well as operational intelligence. Nonetheless, according to the European Union's law enforcement agency, Europol, reliable EU-wide figures are still lacking. Another, more indirect tool of leverage, is the conditionality of EU development aid and the decision power of the Commission regarding the funding of development projects.

4.3.4 European Initiatives

Specifically related to narco-trafficking, in 2010, the Justice and Home Affairs Council reached agreement on a pact to combat this illicit international trade. The pact encourages close cooperation with international partners - especially with the United States.⁵⁹ Back in 2007, seven EU Member States set up the Maritime Analysis and Operations Centre – Narcotics to coordinate operations against traffickers at sea. In December 2010, the EU started a Cooperation Program on Drug Policies between Latin America and the European Union, financed entirely by the EU and valid until 2013. And in May

⁵⁹Council of the European Union, *European pact to combat international drug trafficking – disrupting cocaine and heroin routes*, 3018th JUSTICE and HOME AFFAIRS Council meeting, Luxembourg; 3 June 2010: http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/en/jha/114889.pdf

2011, the USA and the EU organized a Transatlantic Symposium on Dismantling Transnational Illicit networks, with participants from both the North and the South Atlantic.⁶⁰

With regard to illegal immigration, the “Global Approach to Migration and Mobility” probably sets the broadest EU framework of action. At home, the EU targets employers hiring unregistered migrants and invests in return policies. The European Agency for the Management of Operational Cooperation at the External Borders of the Member States of the European Union (FRONTEX), plays a large role in detecting and curbing illegal immigration. To better protect its borders, the EU is currently negotiating a draft law on a new border surveillance system.⁶¹ The European Union external border surveillance system (Eurosur) could take off in October 2013 and aims at improving communications and surveillance, including through unmanned aerial vehicles. To combat human trafficking the Commission adopted the “EU Strategy towards the Eradication of Trafficking in Human Beings (2012-2016)” in June 2012. Outside of the EU’s territory, the EU uses its foreign and development policies to address illegal immigration. The emphasis is on concluding re-admission agreements with countries of origin or transit and on setting up institutionalized dialogues. For example, the EU has a partnership with Africa on Migration, Mobility and Employment and a Migration Dialogue with both the ACP countries as well as with Latin America and the Caribbean.

4.3.5 Underlying Conditions

Before identifying areas for new or enhanced forms of cooperation, it is helpful to review the underlying ailments which must be addressed. In the most general terms, these are economic hardship, weak institutions and a lack of the rule of law. Especially when combined, political and economic instability can arise, generating fertile soil for (transnational) crime and (illegal) immigration.

A lack of (legal) economic opportunities remains the main push factor for both immigration and for illegal business opportunities.. Income inequality has the natural effect for people in a poorer region to move to more affluent places in search for jobs or can be an incentive to find employment and “easy money” with criminal networks. Weak institutions are apt for corruption. Corruption is one of the main reasons why acts of transnational crime can go “unnoticed”.⁶² Corruptible institutions also endanger processes of democratization; profits made by illicit trading can be used to buy votes and finance campaigns in order to launch those involved in illegal networks to the highest offices.

Without commonly held adherences to the rule of law, curbing criminal networks, human rights violations and corruption will be extremely difficult. The main task for policy-makers on this subject is the exchange of information, and best practices and common methods and joint working for tackling these issues: it is a transnational issue currently being dealt with by local enforcement agencies. Many (expensive) societal ills in all parts of the Atlantic community are the result of transnational criminal activity.

The proven resilience and flexibility of transnational criminal networks should be the starting point for any new or enhanced transatlantic initiatives in this field. And while efforts should be directed at disrupting criminal acts and networks, as well as at curbing illegal immigration (if not criminalized), the underlying as well as overarching focus should remain on tackling the root causes of these activities.

⁶⁰ European External Action Service, *Final Report of the Transatlantic Symposium on dismantling transnational illicit networks*, November 2011: http://eeas.europa.eu/us/events/symposium2011/2011_11_final_report_transatlantic_symposium_en.pdf

⁶¹ European Parliament, *Legislative Proposal: Eurosur*, (2011/0427(COD), December 2011: <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=SEC:2011:1537:FIN:EN:PDF>

⁶² Bowling, *Policing the Caribbean*.

4.3.6 Instruments for Enhancing Transatlantic Cooperation

There are a number of instruments to strengthen the cooperation. Effective cooperation starts with information sharing. Specifically, it is important that all parties agree on where to cooperate on and evaluating the chances that a chosen approach generates the desired results. The sharing of information is likely to align perceptions of common threats and can lead to the drawing up of common approaches. Debating best (and worst) practices is likely to lead to a certain degree of policy convergence. At the same time, increased information and better insights will enhance authorities' capacities to combat illegal activities, to detect changes in geographical focus or *modus operandi* and to adjust approaches accordingly.

Authorities should also invest in awareness campaigns aimed at addressing local problems, including human rights violations, drug abuse and corruption. It is not enough to share information between governments; such information should be made available to local stake-holders as well. This can be done directly or indirectly through civil society groups. Transatlantic cooperation in this field can be aimed at broadening understanding and promoting cooperation among authorities, the private sector, media and civil society and arrange for training and exchanges within these groups on both sides of the Atlantic.⁶³

Technical assistance is another important area for activity. Exchanging expertise, either by sending staff or by providing training and traineeships, is beneficial both in terms of capacity-building as well in terms of closer international contacts. Technical assistance could be given in many areas, including those of border security, consular services, investigations and prosecution, labour inspections, computerization, the provision of alternative livelihoods (for example after crop eradication) and education. The regional programs of the South Atlantic give ample hooks for cooperation. For example, in West Africa, the focus could be on the African Union Plan of Action (2013-2018) on drug control, the Ecowas regional Action Plan (established in partnership with the EU) or the West Africa Coast Initiative and its Transnational Crime Units.⁶⁴ Other projects that could be further supported include the Airport Communication Project and the Container Control Program. Expertise could also be shared in the South American Centres of Excellence, which are set up to assist regional authorities in dealing with threats and risks stemming from organized crime.

Efforts to coordinate law enforcement and to strengthen judicial cooperation are more challenging. Agreements on extradition and mutual legal assistance would be beneficial to international cooperation on transnational crime and migrant smuggling. The aim should be to work together to enforce the law and to solidify investigations and prosecutions without losing respect for individual human rights. Efforts should also be made toward disrupting illicit financial flows and detecting money-laundering practices. To enhance the message that everyone is equal in the eyes of the law, corruption of the upper echelons of power should be exposed.

Transatlantic commitments have been made regarding international cooperation, the drawing up of necessary legal provisions and the implementation of national, regional and global strategies. The challenge now lies in translating these plans into concrete actions as well as in building trust between international partners. Realistic options to enhance cooperation and policy convergence in the wider

⁶³ Elizabeth Bennett, 'Global Social Movements in Global Governance', *Globalizations*, No9(6), 2012, pp.799-813.

⁶⁴ United Nations Office for West Africa, *West Africa Coast Initiative* (pamphlet) Available at: http://unowa.unmissions.org/Portals/UNOWA/WACI/WACI_ENG.pdf (Accessed 3 January 2013).

Atlantic sphere can be found in the provision of technical expertise, judicial agreements and support, and in the exchange of information and increased efforts to build awareness.

4.3.7 Encouraging Global Efforts

There are a good number of statements and initiatives aimed at tackling transnational crime, and (illegal) immigration. More than anything, the challenges lie in creating incentives for international cooperation beyond words and translating intentions into implementation. A first focus should therefore be on fulfilling existing international commitments and encouraging international partners to do so. These commitments include those of the UN Conventions aimed at combating international crime, drug trafficking, human trafficking and corruption as well as the Millennium Development Goals. The EU could, as just one example, offer South America, the Caribbean and Africa the necessary technical assistance to live up to articles 52-58 of the Convention against Corruption, which make it mandatory for states (and state-companies) to know their customers and to prevent banking secrecy from protecting proceeds from crime, providing for the confiscation or freezing of illegal assets.⁶⁵

With regard to trafficking and (illegal) immigration, transatlantic cooperation tends to be largely outdone by intra-European, Mediterranean, US-Canadian or US-Mexican initiatives. Given the dominant direction of flows of (illicit) products and people, this is unsurprising. At the same time, the similar positions in which the USA and Europe find themselves create ample possibilities for consultation and cooperation. As the North Atlantic attracts both large numbers of legal and illegal migrants and is at the same time the main outlet for illicit goods, information could certainly be shared in a more effective manner. But before cooperation can begin, mutual trust between the different actors needs to be consolidated and a certain convergence should take place in terms of priorities and perceptions.⁶⁶ The prerequisites for success include:

- Better internal coordination and policy coherence: Both the USA and the EU need to promote coherence between their decentralized authorities. Only with a robust, reliable and consistent internal policy can effective cooperation be realized. In Europe, internal trust has to grow, also when it comes to exchanging intelligence or sharing the burden of immigration. For example, the European Agency for the Management of Operational Cooperation at the External Borders of the Member States of the European Union, the Common European Asylum System and the European Asylum Support Office encourage harmonization of immigration and asylum policies, but national authorities still accept refugees and asylum seekers in different ways. It should also be recognised that when it comes to providing structural aid to much of Latin America that the regional organisations either do not have legal personality (for example, the Common Market of the South, or Mercosur) or do not have the infrastructure to help process or evaluate it. The coordination of measures to help remove the push factors are stymied by institutional problems within the southern Atlantic area.
- Convergence of priorities and perceptions: transatlantic cooperation in the field of immigration and transnational crime is hindered by differing perceptions of risk and privacy. These differences

⁶⁵ United Nations, Conference of the States Parties to the United Nations Convention against Corruption Open-ended Intergovernmental Working Group on Asset Recovery, *Overview of progress made in the implementation of Conference resolution 4/4 and the recommendations of the Working Group*, 27 June 2012. Available at: <http://www.unodc.org/documents/treaties/UNCAC/WorkingGroups/workinggroup2/2012-August-30-31/V1254547e.pdf> (Accessed 3 February 2013).

⁶⁶ Philippe Fargues et al., 'Shared challenges and opportunities for EU and US immigration policymakers', European University Institute and Migration Policy Institute, Florence and Washington D.C., October 2011.

persist between EU member states as well as between the different sides of the Atlantic, as has been clear in negotiations on (personal) data sharing, data collection and data storage. This difference can probably be traced back to different histories in general and immigration histories in particular. Convergence can only be expected through on-going dialogue and increased insights in each other's intentions, interests and preoccupations.

For effective North-South cooperation, it will also be essential to:

- **Build meaningful partnerships.** The principle of shared responsibility should be a central tenet of cooperation. The North should strip from proposals all forms of paternalism in order to build mutual trust as equal partners, but it should be recognised as with the point above regarding development aid, that there are not always reciprocal organisations for the North to work with. With regard to cooperation on immigration-related issues, the North should not only emphasize border security, re-admission and the curbing of illegal immigration, but also seriously engage in obtaining the goals envisioned by South Atlantic partners.
- **Respect South Atlantic ownership.** Instead of promoting new forums, strategies and action plans, the North Atlantic should help strengthen existing national and regional initiatives that originated within the respective international organizations of the South Atlantic.

5. PARTNERS AND FORUMS

For the European Parliament to play a leading role in developing a new and more comprehensive transatlantic partnership, it must find appropriate interlocutors. By the same token, the emergence of new economic and political actors in Latin America is another reason to develop a broader and more comprehensive transatlantic partnership. Hence there is a strong symmetry of interests on all sides. That is not to say, however, that all parts of the Atlantic community are equally capable actors. On the contrary, while the United States and Canada are strong, federal states, and the European Union is a uniquely powerful regional organization, the political context in Latin America is more fluid and less tightly organized.

5.1 Leaders and Followers

The largest countries in Latin America in terms of economic size and political influence are Brazil, first and foremost, followed at some distance by Mexico. Argentina, Colombia, Peru and Venezuela are also potentially significant and play an important role in some policy areas. Chile is smaller and yet offers important illustrations of “best practice”, particularly for market liberals. However, these are not leading countries in the sense that they could play a hegemonic role in fostering multilateral cooperation. They can provide ideas and initiative, and yet only Brazil and, to a much lesser extent, Mexico have the resources to intermediate conflicting demands across countries and to sustain institutionalized coordination within Latin America for the purpose of fostering “trilateral cooperation” or dialog across regions.

This raises two important concerns. One is whether either Brazil or Mexico is eager to channel resources into a bid for regional leadership. Here the advantages of presenting a united Latin American front have to be weighed against the advantages of cutting bilateral deals with global actors like the United States, the EU, and China. Framed this way, the answer is obvious and bilateral negotiations are more attractive than multilateral leadership. This is the conclusion that the Brazilian government has reached in the past. Although the Brazilian foreign ministry has sponsored important regional initiatives, the Brazilian government is more concerned with domestic matters and with gaining a position of influence at the global level than with becoming the predominant actor in the Latin American region. Similarly, Brazilian industry is more interested in competing globally than focusing on markets in Latin America.⁶⁷ Media coverage tends to reflect these priorities. When they report on big multilateral summits, the Brazilian media tends to pay more attention to side conversations between their government and other world powers than to any success or failure in fostering a coordinated Latin American position. This prioritization of bilateral negotiation over multilateral leadership applies for Mexico, where the bilateral relationship with the United States is all but overwhelming.⁶⁸

If the situation were to change, and Brazil or Mexico were to attempt to assert greater regional leadership (or hegemony), it is unlikely that the smaller powers would be supportive. Here it is useful to focus on the middle-sized countries. Venezuela has sufficient natural resources to operate without Brazilian subsidies and so would find any pretention to regional leadership by Brazil unnecessarily constraining – particularly as the current Venezuelan leadership seeks to strengthen collaboration with its more politically aligned allies in Russia and China. Peru is also more interested in attracting business

⁶⁷ Michael Reid, *Forgotten Continent: The Battle for Latin America's Soul*, Yale University Press, New Haven, 2007.

⁶⁸ Mitchell A. Seligson, ‘Popular Support for Regional Economic Integration in Latin America,’ *Journal of Latin American Studies* No 31(1), February 1999, p. 137.

from China than in following Brazilian leadership. Colombia has unique problems that have resulted in a “special relationship” with the United States that is constraining in a different sense; Colombia receives more economic and military assistance from the United States than any other country in Latin America, including Mexico, more than half of which is disbursed by the U.S. State Department for “narcotics control”. Argentina has a long-standing suspicion of its much larger northern neighbour. Chile, like Peru, has a Pacific rather than an Atlantic orientation.

Mexico offers an even weaker leadership prospect. Although Mexico has significant natural resources and bicoastal interests, it does not have the same “soft power” that Brazil has cultivated over the past two decades and it is too close to the United States geographically. The Latinobarómetro includes a question about which Latin American country has the most leadership in the region. Roughly 20 % of respondents across the region say Brazil; very few mention Mexico. Meanwhile, within Mexico itself, the answer is obvious: 38 % of respondents say only the United States.⁶⁹ Mexican political leaders have shown themselves to be able to act independently of the United States. Vicente Fox’s government famously opposed the war in Iraq, for example. Nevertheless, the structural interdependence between Mexico and the United States in terms of industry, employment, and market access is so great that its interests are hard for other Latin American governments to recognize as being representative of the region as a whole.

5.2 Brazil as a Special Case in the Southern Atlantic

The recent rise in Brazil’s influence and standing as a global player is often attributed to its growing economy, status as a regional power, and constructive engagement in multilateral institutions. This makes it important to understand how Brazil gained recognition as an emerging power, the objectives and features of its foreign policy, and the resources it brings to bear in pursuit of its ambitions. Only then is it possible to anticipate what Brazil could contribute to a broader transatlantic relationship. Brazil has a consistent history of rule-adhering participation in international organisations and regimes, save for its exclusion of foreign navies in its oceans which it declared as an area “of exclusive economic activity”.⁷⁰ Brazil has the potential to develop into a regional leader and a bridge between the southern and northern Atlantic states to create a more inclusive transatlantic community.

5.2.1 Brazil’s Domestic Context

Brazil’s rise was closely associated with its domestic policy achievements in the past fifteen years. These were the result of a two-step process undertaken by successive presidents, including the current government of President Dilma Rousseff. The first set of foundational steps involved the transition to democracy in the late 1980s and the implementation of market oriented reforms in the 1990s. In 1994, monetary stabilisation under the *Real Plan* became the basis for Brazil’s subsequent economic progress. It provided the backdrop to Brazil’s economic rise and was consolidated over fifteen years of prudent macroeconomic policy focused on inflation targeting, primary surplus and a floating currency regime. It adopted a pragmatic (rather than ideologically driven) approach to the state’s role in the economy. Brazil gained investment grade status in early 2008, and later recovered very quickly from the global financial crisis that hit later that year. Economic stability was reinforced by the favourable international scenario with rising commodity prices mainly driven by Chinese and Indian demand, the growing prominence of Brazilian transnational corporations (such as Vale, Petrobras and Embraer), and success

⁶⁹ Corporación Latinobarómetro, 2011 Report, Santiago, 28 October 2011, pp. 101-102.

⁷⁰ James Kraska, *Global Swing States and the Maritime Order*, The German Marshall Fund of the United States, Washington D.C., 27 November 2012, p.3.

in specific technological niches (especially biofuels/alternate energy, agriculture sector related innovation, and deep-water oil drilling).

The second step involved implementing various social policies, most notably the conditional cash transfer programme, *Bolsa Familia*. The government's achievements in reducing poverty, improving socio-economic equality, and enhancing inclusion and social justice for all Brazilians brought it further prominence and praise in international circles. Brazil's policy successes at home and increasingly active engagement abroad in various regional integration schemes as well as debates on issues related to international finance, trade, health, environment and energy brought further attention to its emerging influence in global governance. This generally positive picture should not encourage complacency towards persistent problems, such as high levels of state intervention, corruption, incomplete structural reform, and uneven performance in terms of quality of education, innovation, research and development, and competitiveness.

5.2.2 Brazil's Foreign Policy Ambitions

Brazil's foreign policy has two main objectives. The first is to support its domestic socio-economic development; the second is to gain recognition and credibility in international institutions so as to shape global governance structures in its national interest. To achieve its domestic agenda, the Brazilian government wants greater representation for itself and other developing countries in international economic institutions such as the International Monetary Fund, World Bank and World Trade Organisation. To achieve its more global agenda, the Brazilian government wants to gain a permanent seat in a reformed United Nations Security Council.

Typically, Brazil sees foreign policy as instrumental to achieving national development objectives, implying a focus on economic and social aspects of international relations. Although it preferred peaceful resolution of disputes, it has – to some degree – reversed its previously low emphasis on enhancing its military capabilities and has recently embarked on an \$84bn modernisation of its navy, including the acquisition of nuclear powered submarines, all to be completed by 2034.⁷¹ Brazil has desisted from developing a nuclear option (it signed the Non-Proliferation Treaty in 1998), and normatively places its emphasis on non-intervention and the inviolability of state sovereignty, wherever it occurs. Its emphasis on autonomy means that it is reluctant to accept any supra-national governance structures, even within its region. It strongly defends non-intervention (hence, its traditional reluctance to participate in UN peace-keeping without agreement of all parties) and rarely criticises others' human rights record. It rarely takes a value-driven approach to relations with other states, preferring to emphasise mediation, negotiation and bridge-building characteristics in its diplomatic actions. It is only recently, when its major power ambitions have seen Brazil shift from strict non-intervention to one of cautious "non-indifference" (along lines of the UN's "responsibility to protect").

Brazil has a long history of participation in multilateral institutions, and has been noted for its effectiveness in these forums. It was a founding member of the League of Nations, attended the Bretton Woods Conference (the tradition of Brazil opening the UN General Assembly annual session is related to this), took an active role in the World Trade Organisation Doha Round negotiations as well as leading various developing country coalitions, hosted two UN climate change conferences, and increasingly participated in UN peace-keeping operations. It perceives itself as a responsible power with only mildly revisionist demands to democratise the institutions of global governance. Moreover, it avoided "automatic alignments" and preferred the flexibility of engaging with a diversity of partners. It is likely to

⁷¹ Kraska, *Global Swing States*, p.5.

be open to pragmatic elements of a broadened transatlantic community, despite consciously aligning itself as a member of the global South, albeit one of the largest and wealthiest members.

President Luiz Inácio Lula Da Silva was particularly active in the latter area, where he argued Brazil had particular sensitivities allowing it to understand Southern approaches to dealing with global problems and a special (self-claimed) ability to represent developing country interests. He bolstered these claims in initiatives such as the Group of 20 developing nations established in 2003 to participate in multilateral trade talks, the IBSA (India-Brazil-South Africa) Forum, BRICS Summits, deepening ties and exchanges with African nations (his “diplomacy of generosity” included debt forgiveness and technology transfers), and mediation attempts in the Middle East. Brazil also promoted the Union of South America Nations (UNASUR) and, within that, it supported the creation of the South American Defence Council which provides a forum for regional dialogue on military issues and security (including non-traditional actors such as narco-traffickers), but is not a military alliance.

5.2.3 Brazil's Institutions and Resources

Brazil is institutionally well-endowed and lays claim to a highly effective set of government institutions. The Itamaraty, Brazil's professionalised Ministry of International Relations and diplomatic corps (which would be recognisable in European capitals) has a long tradition of mediation, negotiation, consensus- and coalition-building. It has also been noted as being adept at dealing with new actors in international relations, especially civil society organisations and non-governmental organisations.

The other crucial resources that enhance Brazil's claims as an emerging power and valuable strategic partner are its economic size, considerable natural resources, and favourable demographics. Brazil benefits from the generosity of nature – it does not suffer from shortages of food, energy, water and other resources (unlike the other BRICS and many emerging markets). It can focus its efforts on economic growth and development, partly because it does not have to deal with any serious internal or external disputes. Thus, political and economic stability boost its overall attractiveness. Its large population (just under 200 million) and expanding middle class have ensured a fast expanding market, which makes Brazil an excellent trade and investment partner. This argument has gained traction in the current stagnant economic climate in Europe.

5.2.4 Brazil's Potential Contribution

In light of the above, what would Brazil contribute to a potential extension of transatlantic relations to the South Atlantic? This question cannot be answered without reference to the implicit idea that to do so is to counter-balance the growing influence of trans-Pacific cooperation. Both Europe and Brazil are exclusively Atlantic facing and lack a Pacific coastline leaving them vulnerable to being side-lined as a result of the geographical shift of power towards the Pacific in the twenty-first century. Brazil is already planning investments in regional infrastructure integration partly with the specific aim of gaining access to Pacific ports. It is also worth noting that Brazil forms part of the twenty-four-member Peace and Cooperation Zone of the South Atlantic, which last met in Uruguay in January 2013 with the aim of cooperating on issues from seabed mapping and exploration to transnational organised crime.

Brazil also faces complex bilateral relations with China. In 2010, China became its main trade partner and much of its healthy trade surpluses in recent years can be attributed to its exports to China. However, while China is a key client of Brazilian primary products, it is also a key competitor for Brazilian manufactured goods in domestic as well as third country markets. Thus, Brazil would not only relate to European concerns about China's trade competitiveness, but also appreciate the counter-balancing qualities of an expanded transatlantic relationship.

5.3 Multilateral Institutions

Brazil has the potential to play a leading role in Latin America and yet does not hold that status. Moreover, recognition of Brazilian leadership within Latin America concentrates in the southern cone; as mentioned specifically in the case of Mexico, public opinion polling respondents in Central America look north instead.⁷² The absence of clear regional leadership does not entail an absence of structures for regional cooperation. On the contrary, Latin America boasts a wide number of regional organizations ranging from the old and encompassing Organization of American States (OAS) to the most recent and more geographically exclusive Pacific Alliance. These organizations have overlapping membership and interests. They also provide different points of engagement for trilateral cooperation between Latin America, the EU, and the United States.

5.3.1 The Community of Latin American and Caribbean States

The Community of Latin American and Caribbean States is the most promising organization for a broad trilateral dialogue. CELAC already has a robust partnership with the European Union in the areas of research and innovation, migration, and narcotics (COPOLAD), much of which it inherited from pre-existing regional forums. Nevertheless, CELAC embodies a pattern of regional integration very different from the European Union. To begin with, it does not have extensive powers to compel member states to implement joint initiatives. On the contrary, the Caracas Declaration is explicit that such initiatives should be adopted “under the principles of flexibility and voluntary participation” (para. 30). The Statute of Proceedings does not identify a standing supranational body like the European Commission or a common forum for dispute resolution and rule enforcement like the European Court of Justice. Instead, it describes a pattern of summits and coordination meetings to engage national representatives in regional conversation. The legislative instruments are declaratory – resolutions, declarations, statements, positions – rather than binding.

The strength of CELAC as an organization is precisely that it offers a common framework for representing the interests of Latin America in consultation with other regions, like Europe and North America. Nevertheless, it is the member states of CELAC who must take responsibility for implementing whatever decisions emerge from such dialogue. This may change in the future should CELAC move to create more permanent supranational institutions and to establish legal supremacy. That has not yet taken place. CELAC does not have the agency or “actorness” that the United States and the EU possess in this respect.

5.3.2 Mercosur

The Common Market of the South has been a bulwark for stability in the South Atlantic since it was founded in 1991. Nevertheless, it has not achieved great strides in opening markets; instead it has experienced relatively frequent trade disputes, particularly among its larger member states, Argentina and Brazil. Most recently, the Argentine government of Christine Nestor has asserted its right to pursue an import-substitution development strategy through protectionist measures. Moreover, the adhesion of Venezuela to Mercosur in July 2012 has changed the focus of the organization, making it both more “political” and more energy centred. These changes do not vitiate the importance of Mercosur as a trading block but they do alter the priorities for outside engagement. As EU Trade Commissioner explained to the European Parliament on 17 January 2013, “the negotiations of the EU-Mercosur

⁷² *Corporaciòn Latinobarómetro, 2011 Report.*

Association Agreement have not made the progress the European Commission would have liked.”⁷³ Following his meetings with Mercosur representatives at the EU-CELAC summit in Santiago, Chile, De Gucht announced that both sides of the negotiations would make proposals to relaunch talks with the goal of coming to an agreement by the end of 2013.

5.3.3 The Union of South American Nations

The Union of South American Nations (UNASUR) brings together the members of Mercosur and the Community of Andean Nations (CAN) with other South American countries not belonging to either organization. It does not encompass Mexico or the countries of Central America and the Caribbean. Mexico and Panama have observer status. UNASUR offers a stronger institutional framework than CELAC. It has a permanent secretariat (located in Ecuador) and a South American Parliament (located in Bolivia). Hence while UNASUR is less encompassing, it has greater potential “actorness”. That said the trade-off is one-sided enough that cooperation between the EU and UNASUR is unlikely to overshadow Mexico. Like Mercosur and CAN, UNASUR has few powers to compel member states to approximate common rules or other forms of legislation. On the contrary, the preamble to the constitutive treaty sets a goal of ensuring that “each State honour its commitments according to its own reality.” And while there is a clear ambition to lower trade barriers across countries, there is as yet no desire for a common external commercial policy or customs union. UNASUR is primarily an intergovernmental organization which can support infrastructure cooperation, defence policy coordination, and development assistance. But is not a global actor like the United States or the European Union and so is not much more attractive as an interlocutor than CELAC; indeed, UNASUR is less attractive given its smaller membership.

5.3.4 The Alliance of the Pacific

The new Alliance of the Pacific suggests another departure from the European model for integration. CELAC and UNASUR do not yet aspire to supranational coordination along the Community method; the Pacific Alliance does not aspire to comprehensive integration. Instead it serves to bring together the four main Pacific countries of Latin America – Chile, Peru, Colombia, and Mexico – to forge a more attractive market for Asian trade and investment. The objectives are to lower the barriers to movement of goods, services, people, and capital along the Pacific coastline while at the same time strengthening infrastructure networks and coordinating negotiations with Asian actors like the Association of South-East Asian Nations (ASEAN) or China. The instruments used to achieve these objectives go beyond free trade and include both an integrated Latin American stock market and a joint university system. Such activities hold out the promise of further spill-overs into more intense forms of integration. Nevertheless, it is too early to judge whether the Alliance of the Pacific will prove to be a success. It has attracted applications for membership from Panama and Costa Rica, and observers from both North American (Canada) and the South Pacific (Australia and New Zealand). This suggests great potential for the new arrangement. Nevertheless, the Alliance of the Pacific does not offer the same advantages as CELAC in terms of comprehensive membership and so its role is more likely to be complementary rather than substituting for events like the EU-CELAC summit.

⁷³ European Parliament, *Plenary speaking points: State of play of the EU's trade negotiations with Mercosur*, Plenary of the European Parliament, Strasbourg; 17 January 2013: http://trade.ec.europa.eu/doclib/docs/2013/january/tradoc_150244.pdf

5.4 Finding the “Right” Forum

These summits between European and Latin American leaders are important. The economic negotiations tend to capture the headlines but it is the opportunity for structured dialogue across a wider range of issues that counts.

A broader transatlantic relationship will require a strong multilateral institutional framework. This does not have to be created from scratch. On the contrary, it would be better to adapt existing institutions to meet new challenges and to foster new patterns of cooperation. This way, partners all along the Atlantic basin can move away from old patterns of interaction and toward new possibilities for cooperation and policy convergence. The security architecture of the old transatlantic relationship provides a useful starting point. However, meaningful cooperation must include the Bretton Woods institutions as well, in order both to broaden the scope of collaboration into the economic domain and to redress long-standing concerns about the representatives of the International Monetary Fund and the World Bank. Finally, it will be important to provide an overarching political framework that includes not only the United Nations and its attendant institutions, but also less heavily institutionalized arrangements like the Group of 20 and regionally centred organizations like the European Union, Mercosur, the Economic Community of West African States (Ecowas), and the North American Free Trade Area (NAFTA).

Transatlantic security institutions are best known for their force-projection capabilities and yet also have a long track record of achievement in terms of improving the calibre of civil-military relations and promoting democratic participation. They also provide forums for confidence building, policy transfer, and shared best practice. These roles have traditionally extended beyond the geographic boundaries of formal alliances. Moreover, they can be used to address new security issues even in the absence of a formal security commitment or guarantee.

The Bretton Woods institutions like the International Monetary Fund and the World Bank already encompass the whole of the Atlantic community. So does the World Trade Organization and so could the Organization for Economic Cooperation and Development. The challenge in adapting these institutions to reflect a broader transatlantic partnership is to render them more representative and to broaden the scope of concerns they address to include the priorities of the South Atlantic participants. This institutional reform agenda is not new and it concerns actors across the globe. A strong transatlantic partnership could help reinvigorate that agenda and so reassert the importance of tackling global economic issues on a multilateral basis rather than working through overlapping bilateral negotiations.

The broader political context will also require adaptation. In part this is due to the legacies of the immediate post-Second World War period. For example, none of the South Atlantic partners has a permanent seat on the UN Security Council. Part is also due to the piecemeal elaboration of great power summitry. The countries of the South Atlantic played no part in the G-7 leading industrial countries and only belatedly gained access to the G-20. Nevertheless, it is clear that all parts of the Atlantic should have access to direct political representation not only for what they can take away from the conversation but also for what they can contribute to the priorities for collective action.

5.4.1 Security Cooperation

Security cooperation between governments occurs on four main levels: global (primarily through the UN), cross-regional international organisations (e.g. NATO and the OSCE), on the regional level (e.g. EU, African Union or AU), and via bilateral and multilateral agreements (known by the common term,

“coalitions of the willing”). Such is the complexity of these on-going arrangements and relationships that they are characterized by the overlap of mandates and often by the duplication of efforts.⁷⁴

The dominant security focus on the Southern Atlantic has fallen on Northern and Western Africa. This region is important because of its implications as a source of resource instability (for example on the links between radicalisation, soft-insurgency and the stability of Nigerian oil production). Northern and Western Africa is also an area of humanitarian concerns because of on-going armed conflict and the circulation of illicit small arms into the European near-abroad. Finally, as the recent conflict in the Sahel reveals, it is a source of Islamic radicalism which impacts on the region and on European and North American security.

Security concerns in Latin American region are divided along different lines: for the USA there is the immediate concern of near-neighbour stability and migration (of people and narcotics), whilst for the United Kingdom (UK) there is the concern to preserve control over the Falkland Islands. More generally however, concerns centre on the regional and resource stability, the prominence of radical, anti-western left-wing governments and the jostling for influence between many regional actors none of whom, save for Brazil, have neither the financial resources nor military capabilities to provide leadership. These are not exhaustive lists, but they are part of the rich tapestry of narratives that form western concerns over the Southern Atlantic basin.

What we can observe, however, is that when it comes to the Northern and Western African part of the southern Atlantic basin there is a good deal more agreement, dialogue, cooperation and collective action than with Latin American part, where the absence of a collective view has led to more usual patterns of unilateral action, informed by national interest and different historical experiences and relationships. This divergence of attention is partly geographical: the main sources of insecurity to Europe come from concerns about Jihadism spreading across and from the Maghreb into southern Europe, coupled with more recent Arab Spring. While Latin America is a region that is noted by NATO and the OSCE as an area for informal negotiation in the future, the available documentation on this by both institutions is far smaller than for other regions, but there is scope for collaborative education and action in this sphere.

In comparison to OSCE's collaborative programmes with North Africa, its links with Latin America are less well developed. There is no publicly available evidence to suggest that the OSCE cooperates systematically with Latin American nations individually, even though some of its core business is the detailed study and formulation of policy towards issues such as human rights and human trafficking.⁷⁵ There are some synergies between the OSCE and Latin American regional organisations, as follows:

- The Organisation of American States: A key example of the emerging relationship between the OAS and OSCE were exemplified by the Secretary General of the OAS (José Insulza) who

⁷⁴ Where summary reports and working papers for regional partners were made available from the OSCE, there was nothing comparable available from NATO. In this case most analysis is instead limited to news and press releases rather than commissioned studies or special reports. It should be noted, however, that the 2012 Annual Reports for both organisations, as well as the summary report of the latest annual OSCE Ministerial Council, are due for publication in February and March 2013 respectively: OSCE, *Dublin Ministerial Council December 2012 webpage*. Available at: http://www.osce.org/event/mc_2012 (Accessed 3 February 2013).

⁷⁵ A survey of the extant academic literature into this relationship demonstrated a focus on economics and trade, as well emergent trends of democratisation: a somewhat limited picture.

addressed the Permanent Council of the OSCE for the first time in October 2010.⁷⁶ In line with human rights and trafficking priorities, the goals stated in this meeting were the promotion of democracy, human rights and freedom in expression of the media,⁷⁷ and the need for regional organisations such as the OSCE and OAS to provide the capabilities into the gaps the UN are unable to fill.

- Union of South American Nations: Established in 2008, the UNASUR is seeking to establish itself as an influential regional actor. While there is no publicly available record of the OSCE formally cooperating with the UNASUR, Germany (as a prominent OSCE member) has worked closely with the Defence Council of the Unasur to implement security building measures (known as “CSBMs – Confidence and Security Building Measures”). The declaration around German assistance stated, in July 2011, that “CSBMs could play an important stabilizing role here, and that our own experience, particularly in the OSCE, could be helpful to the South American partners.”⁷⁸ High-ranking UNASUR representatives also visited Vienna, including the Forum for Security Cooperation and the OSCE Conflict Prevention Centre, in February 2010 during an information trip organized by Germany. Germany also organized and sponsored a joint conference with UNASUR member states on establishing and using CSBMs for peacekeeping in Lima on 27 and 28 June 2011. Against the background of this early activity – albeit with a national lead – there is clearly there is potential for a more formal kind of cooperation between UNASUR and the OSCE in the future.

NATO is the pre-eminent security institution in Europe, and reaches across the Atlantic to include the United States and Canada. Despite the continual efforts of the EU since the early 1990s, and the concerted efforts of the UK, France and other European partners from 1998 to the present day, NATO retains its pre-eminent role both in the provision of hard-security, and in defence and security diplomacy: a role that it particularly excelled in post-Soviet Eastern Europe in the 1990s. NATO’s field of vision has been focused on Eastern Europe, the Balkans and the Middle Eastern near-abroad, including North Africa, where its initiatives have been extensive and well-developed. As such, its focus has not extended into the southern Atlantic basin, where other security actors – including the USA acting unilaterally – have been more important in this region.

The November 2010 Lisbon Summit brought with it the new Strategic Concept, which identified – as part of on-going efforts to find NATO a new role in the post-cold war era – cooperation that stretches across international organisations as a core task for the Alliance,⁷⁹ with a new partnership policy being endorsed by NATO foreign ministers in Berlin in April 2011.⁸⁰ The Partnership Policy that was adopted in Berlin in April 2011 endorsed proposals for the establishment of a more structured role for NATO’s operational partners in shaping the strategy of NATO-led operations to which they contribute, as well as cooperation in “flexible formats” which brings NATO partners together across and beyond existing

⁷⁶ OSCE, *Organization of American States Secretary General stresses need for strengthened regional co-operation in address to OSCE Permanent Council* (Press release), 28 October 2012. Available at: <http://www.osce.org/pc/74057> (Accessed 3 February 2013).

⁷⁷ OSCE, *Joint Declaration on Crimes Against Freedom of Expression*, 2012. Available at: <http://www.osce.org/fom/91595?download=true> (Accessed 3 February 2013).

⁷⁸ OSCE, *651st Plenary Meeting of the Forum*, FSC Journal No. 657, 6 July 2011. Available at: <http://www.osce.org/fsc/80803> (Accessed 3 February 2013).

⁷⁹ NATO, *Lisbon Summit Declarations*, 20 November 2010. Available at: http://www.nato.int/cps/en/natolive/official_texts_68828.htm#partners (Accessed 3 February 2013).

⁸⁰ NATO, *Partnerships: a cooperative approach to security* (website), 11 May 2012. Available at: http://www.nato.int/cps/en/SID-082EA1E0-3575E793/natolive/topics_84336.htm? (Accessed 3 February 2013).

frameworks: within this policy it is possible to see ways in which further collaboration might be possible in Latin America as part of NATO's "open door" policy, where formal partnership arrangements are unnecessary.⁸¹

NATO has no interaction with Latin American States on the national level, and no political dialogue with South American regional organisations. In "NATO 2020", the analysis and recommendations of experts on the new Strategic Concept (introduced in Berlin 2011), although recognizing that this region has its problem mainly related to organised crime, that the Organization of American States is the principal regional body in this region. "Thus, with the possible exception of a humanitarian emergency, it is hard to foresee direct NATO involvement in this region."⁸² There is, however, a great deal more that NATO could do in providing technical assistance, and joint training and education opportunities to receptive Latin American countries, to which many EU member governments would obviously be involved within. NATO's security sector reform initiatives in central and eastern Europe in the 1990s were an important transmission mechanism for political, social and governance norms and the creation of a larger area enjoying common values and opportunities.

When it comes to institutional North-South relations there is a clear distinction between the northern and southern parts of the South Atlantic basin. There is a great deal of cohesion of message and initiative in the northern part, but the problems here are those of institutional duplication and coordination. While not directly in competition there are areas of tension between NATO, the OSCE, the EU and international non-governmental organizations (NGOs) on one hand and foreign actors such as China and Russia on the other. When it comes to the southern part, the messages (concerning near-universal norms like democracy, transparency, human rights) are consistent across all the Northern agencies.

5.4.2 Economic Cooperation

In the nearly seventy years since the establishment of the Bretton-Woods institutions (International Monetary Fund or IMF, World Bank, GATT/WTO, OECD), the world has undergone a series of seminal transformations—decolonization, globalization, the collapse of the Soviet Union and rise of the BRICS, the growing economic chasm between the advanced and developing worlds—that have outstripped the capacities of these institutions as well as put into question their legitimacy as the principal agents of global economic governance. On the one hand, as a function of globalization and the intensifying commercial and financial linkages it implies, the world has become increasingly interdependent. On the other, as a result of the shifts in state economic and political power, the world has also grown increasingly multipolar. Though on the whole these developments can be viewed as positive, they also present significant challenges for global governance. As the 2008 global financial crash and ensuing European debt crisis have demonstrated, greater interdependence also implies greater state, regional and global vulnerability to crisis. By the same token, a more multipolar world means a greater potential for interstate conflict than existed under the unipolar and bipolar dispensations that followed World War II.

⁸¹ For a summary of the above see NATO, *General Secretary's Annual Report 2011*, 26 January 2012. Available at: http://www.nato.int/cps/en/natolive/opinions_82646.htm?selectedLocale=en (Accessed 3 February 2013) as well as the NATO, *Chicago Summit Declaration*, 20 May 2012, paragraphs 18-24. Available at http://www.nato.int/cps/en/SID-9167B8B2-0F461C0E/natolive/official_texts_87593.htm?selectedLocale=en (Accessed 13 February 2013).

⁸² NATO, *NATO 2020: Assured Security; Dynamic Engagement, Analysis and Recommendations of the Group of Experts on a New Strategic Concept for NATO*, 17 May 2010, Chapter 2. Available at: http://www.nato.int/cps/en/natolive/official_texts_63654.htm?selectedLocale=en (Accessed 3 February 2013).

The Bretton-Woods institutions have already adapted to some of these changes. Yet, despite such adaptation, they have seen their governance capabilities overwhelmed by the growing diversity of challenges to which they are confronted, while their leadership structures have been discredited as new powers have emerged who did not participate in their founding and hence today enjoy proportionally little control over their management. Given both the short- and medium-term challenges posed by the current crisis and the longer-term ones of accommodating rising powers while closing the economic disparity between the global North and South, the present situation makes redefining the mandates of the Bretton-Woods institutions and updating their structures of governance an urgent priority. Such reform will need to make these institutions more responsive to the challenges and problems posed by evolutions in the global economy, as well as more representative of advanced, rising and less developed countries alike. By the same token, the governing and policy functions of these global economic institutions will need to be better integrated so that they mutually support one another's mandates while improving the economic standing of their different state constituents. Reconciling these aims in an increasingly diverse—some would say, divided, world—is the key challenge facing global economic governance today.

How then to achieve the correct balance between the imperatives of efficacy and legitimacy within the core institutions of global economic governance, and then to reconcile them with the expansion of transatlantic cooperation? The current directorship boards of the IMF and World Bank offer the beginnings of the answer. Indeed, alongside accommodating the interests of single state principals, the leadership instances of these institutions also feature multiple state constituencies, which are organized according to region. This joint arrangement gives representation to all the world's states while ensuring the leadership predominance of the largest economies. Accordingly, extending institutional leadership to incorporate the rising economic powers while preserving the global representativeness of the Bretton-Woods institutions would call for jettisoning the single state seat model and moving toward a regionally-based joint-state constituency model that, through an economically proportional voting mechanism, would nevertheless respect the primacy of the largest and most powerful states.

In order to respect the joint principles of legitimacy and efficiency required for global governance institutions to work, such a constituency-based model of directorship would have to contain the following features:

- First, it would have to ensure universal representation, by offering a mechanism whereby all member states were extended the right to consult in and contribute to policy formulation.
- Second, it would need to take into account the economic preponderance of individual states as well as of their different regions.
- Third, such a model would need to preserve small enough constituencies to facilitate deliberation and trust among their state members. In practice, in order to safeguard legitimacy, such an arrangement would require a minimum number of seats to be distributed across the world's principal regions (say, the Americas, Europe, Africa, Asia). But in order to meet the requirement of efficacy, supplemental seats would also need to be attributed to the regions based on their economic importance as measured by GDP. And to ensure that global and rising powers were accorded their proper role, regional constituency seats could be formed on the basis of "elections" in which individual countries' votes were weighed in proportion to GDP. This would be accompanied by a mandatory system of leadership rotation within each constituency group to ensure that smaller or poorer countries retained a voice in their constituencies.

- Finally, enlisting the participation of civil society in order to help shape state preferences and consultation would complement the representativeness of such an arrangement by enlisting stakeholders in global policy processes.⁸³

The following proposal developed by the Danish Institute of International Studies provides a workable template for such an arrangement.⁸⁴ The governing boards of the Bretton-Woods institutions would be limited to 25 seats, in order to ensure effective decision-making. 16 of these seats would be equally divided among the world's four regions. The 9 remaining seats would be divided according to economic preponderance, meaning that 0 would go to Africa and 3 each to the Americas, Europe, and Asia. This would give a total of 4 seats to Africa, and 7 each to the Americas, Europe, and Asia. Such a distribution of constituency seats and weighing of votes within them would thus make it possible to reach consensus within the governing bodies of the global governance institutions on a more representative regional basis without sacrificing the principle of economically weighted efficacy reflecting the global balance of power. 18 of the 25 seats would be covered by a transatlantic area extended to incorporate Latin America and Africa as a whole (or somewhat less if only certain regional constituencies within these continents were considered.) This would therefore provide a natural basis for embedding the mechanisms of inter-regional economic cooperation within the broader instances of global governance on a transatlantic basis. Properly managed, such an arrangement might make it possible to harness the disruptive forces of regional competition and state dispersion that have long plagued Latin America and Africa and impeded their development, thereby helping to strengthen global governance as a whole

In theory, instituting such a template for reform is easier to contemplate in the cases of the World Bank and the IMF, which already feature regionally-based state constituencies within their governing boards. Extending such a template to the WTO and the OECD, however, would entail a radical transformation of their memberships, let alone their governing structures. Yet, as mentioned earlier, the need for an integrated approach to economic governance which covers the different areas of economic intercourse and policy—trade, finance, development—appears to make such a shake-up necessary.

5.4.3 Political Cooperation

In principle, there seem to be many “right” political institutions and forums already in existence in which transatlantic dialogue in relation to the South Atlantic might be pursued. Discussions of central questions affecting the stability of the South Atlantic, such as the relative disposition of Argentina (and the UK), Venezuela, Colombia, and others, have been a relatively consistent part of UN and OAS agendas for many years. In this sense, revitalised, or even new, regional cooperation can easily be developed since it will be operating from a fairly robust set of “solidified relations”, and as part of the rebalancing of the South Atlantic as an area of international focus compared to the North Atlantic. However, the main issue for political institutions is that the configuration of regional partnerships and cooperation influencing the South Atlantic includes both “older” forces of instability and tension, and “newer” forces of potential stability. Although previous sections have identified the role of key security and economic institutions, this section will address the role of overarching political institutions at the global and regional level, most notably in context of the United Nations.

⁸³ Louise Amoore and Paul Langley, ‘Ambiguities of Global Civil Society’, *Review of International Studies*, No 30(1), January 2004, pp. 89-110.

⁸⁴ Jakob Vestergaard and Robert H. Wade, ‘Establishing a New Global Economic Council: Governance Reform at the G20, the IMF and the World Bank’, *Global Policy* No 3 (3), September 2012, pp. 257-269.

In the context of UN-related work on the South Atlantic, the discussions have been largely dictated by key regional alignments and cooperation that exists between participating US-European regional partners that have formal representation in key bodies of the international political institutions like the UN. Here the positions as permanent members of the UN Security Council, like the United States and the UK are influential. However, in the UN context, US-UK cooperation on issues relating to the South Atlantic have not been as effective as they potentially could have been, given the US focus on broader 'soft security' issues, like narco-trafficking, immigration and climate change, and that of the UK that has a more primary focus on "harder security issues" relating to UK territories in the South Atlantic. US-European cooperation in the UN, and especially in the UN Security Council, has thus been constrained by key strategic issues pertaining to the South Atlantic. Moreover, such cooperation has been limited by the proactivity of Argentina in using UN frameworks to register on-going concerns and protests with the existing status quo in the South Atlantic part.

The complexity of the relations between the United States, as the most influential power, and respective and clearly identified nation-states that have notable interests in the South Atlantic is an integral part of the "mosaic" of transatlantic multilateral dialogue. On the one hand, the USA has remained consistent in regarding South America as being on the periphery of US interests in Central and South America. The United States has duly invested considerable political capital in maintaining good relations in the UN, with key South American partners (most notably Brazil as one of the evolving BRICS, and Argentina), and identified these states as key partners for the United States in the region, not least in handling key soft security issues like narcotics trafficking, environmental security and climate change agendas, and questions of energy security. This accompanying complexity has major implications for the North-South links in relation to the South Atlantic part. US relations with key traditional regional partners in South America (like Argentina) come into focus as a source of tensions with parallel US relations with key European partners (like the UK) given its territorial interests in the South Atlantic (via South Georgia, and the Falklands Islands).

In the UN context, the regular usage of UN sessions and UN mandates as the basis of opposing arguments have meant that the UN political processes have become immersed in problem identification and legitimacy between the opposing parties in the South Atlantic (and not just in terms of international problem solving, see for example, the lodging of a formal Argentine protest with the United Nations over "militarization" of the South Atlantic in February 2012).⁸⁵ This could be viewed as somewhat problematic and adding to a destabilizing effect in the South Atlantic since US traditional partnerships in the South Atlantic are part of the source of tension, and that such tensions between key US partners that help to shape transatlantic cooperation have been elevated specifically to the level of UN political institutions. In effect, the UN has become a forum for tension rather than resolution, through the usage by US partners of UN mandates and resolutions to support their respective cases within international disputes affecting the South Atlantic.

Key political institutions like the UN have been at the cornerstone of policy dealing with consistent global issues where the South Atlantic part has been a rising focus of interest. Broadly, four on-going UN-related issues can be identified:

- First, there are the issues of the implementation and interpretation issues of international rules on the Law of the Sea, and thus territorial waters and access, governed by for example, the United Nations Convention on the Law of the Sea. Here territorial disputes in the South Atlantic have

⁸⁵ United Nations, *Press Conference By Minister for Foreign Affairs of Argentina*, 10 February 2012. Available at http://www.un.org/News/briefings/docs/2012/120210_Argentina.doc.htm (Accessed 13 February 2013).

been at the core of recent discussions and interpretation in UN debates, and ruling of the International Court of Justice. For example, of the 10 most notable rulings of the International Court of Justice in 2012, three related to maritime disputes in the South Atlantic.

- Second is the rising issue of international energy acquisition and security. This has particular resonance in relation to the exploration of new oil fields and mineral resources in the South Atlantic seas (especially around the Falkland Islands which is already a destabilizing issue in South Atlantic dialog, and in Antarctica). In addition, UN discussions and documents increasingly recognise the extent that Brazil is deemed as an evolving energy player will be transformative as its growing offshore oil discoveries are further exploited.
- Third, there are issues surrounding the problem of climate change. These are matters where the United Nations has been a central platform for articulating agreement since the Rio summit of 1992. They are also issues where the South Atlantic has been a major source of attention in terms of organizing international data analysis and accumulation on climate change. Within this discussion there are related debates about the conservation of fish stocks in the South Atlantic regulated by the UN Agreement on Straddling Fish stocks and Highly Migrating Fish Stocks as well as the 1966 International Convention for the Conservation of Atlantic Tunas Convention.⁸⁶
- Fourth, the states surrounding the South Atlantic have been either side of on-going development-related UN debates, and on the implementation of the Millennium Development Goals.⁸⁷ Notable tensions remain both within US-European relations, with the EU and its member states being much more ambitious than the USA in seeking to revise aid and international loan arrangements, and between the European states and those countries of Latin America, like Argentina that have been opposed or at least highly sceptical of the Washington Consensus since the 1990s.⁸⁸

In relation to these respective issues, it is essential to recognize the key synergies between the role of the UN general political organs, in fermenting consistent political dialogue on the South Atlantic and reducing tension (between the USA and its allies, and between US allies), and the more specific issue specific policy frameworks that the UN has developed to deal with specific issues relating to, for example, crisis change and narco-trafficking. This is especially important given the UN's role in promoting the demilitarization of the South Atlantic, which acts as basis and facilitator for issue specific agreement in other fields. The meeting of 21 African and South American countries in Uruguay in January 2013 to promote the South Atlantic as "a zone free of massive destruction and improper militarization" at the VII Ministerial Meeting of the South Atlantic Peace and Cooperation Zone is a case in point.⁸⁹

⁸⁶ The ICCAT Convention includes binding measures aimed at the long term conservation of fish stock and over 70 recommendations covering 30 species of tuna and tuna-like species, in conformity with Article 10(a) of the UN Agreement on Straddling Fish Stocks and Highly Migratory Fish Stocks. Organs include the Conservation and Management Measures Committee. See United Nations, *Information on ICCAT Compliance with Article 10 of UNFSA*, 2012. Available at http://www.un.org/Depts/los/convention_agreements/reviewconf/ICCAT_submission.pdf (Accessed 13 February 2013).

⁸⁷ United Nations, *United Nations Millennium Declaration A/RES/55/2*, Resolution Adopted by the United Nations General Assembly, New York, 8 September 2000.

⁸⁸ Ian O. Lesser, 'Southern Atlanticism: Geopolitics and Strategy for the Other Half of the Atlantic Rim' *Brussels Forum Paper Series*, The German Marshall Fund of the United States: Washington D.C., March 2010, p. 7.

⁸⁹ The VII Ministerial Meeting in Montevideo, Uruguay, of the South Atlantic Peace and Cooperation Zone is the main forum of the South Atlantic Peace and Cooperation Zone created in 1986 following a UN General Assembly Resolution. The Zone has 24 members with 3 from South America, and 21 from Africa. The previous meeting was in Angola in 2007.

6. RECOMMENDATIONS

There is considerable potential for policy convergence across the Atlantic. However, such potential will only result in action if European leaders develop a strategy for cooperation across multiple policy dimensions. In these recommendations, we focus on security, sustainability, and human dignity. Such a list is hardly exhaustive. As the experience of European integration has revealed, progress in one area can often increase awareness of the possibilities available in many others. The important point is to find a good place to start.

6.1 A Strategy for Empowerment

The first challenge for the European Union is to identify counterparts with both the ability to bring together diverse members of the Atlantic community and the capacity to do more than engage in dialog. A new transatlantic community must be built upon action as well as words. In turn, this will require leadership – particularly from within Latin America. The European Parliament can play a crucial role in nurturing regional leadership in Latin America by helping to foster the conditions within which both countries and institutions can work effectively together.

- Start with Brazil. Brazil is far and away the largest actor in the region. Nevertheless, it shows little desire to assume a leading role – and little support for its leadership among other Latin American countries. The European Union should encourage Brazil to take up more responsibility just as it should reassure the other Latin American countries that this will not be to their disadvantage. The United States will play an important role here as well.
- Continue to support capacity building in regional institutions. The first step will be to continue to strengthen capacity building within Latin America's regional institutions. This is a long standing policy of the EU that has been met with some indifference in Latin America itself.⁹⁰ Nevertheless, strong regional institutions are vital to protect the interests of smaller countries and so to create the conditions within which larger countries like Brazil can play a more prominent role.
- Engage with India as well as China. Although India is not yet a major player in the South Atlantic, it soon will be. Therefore any regional lasting regional arrangement should take India into account. Including India will also help to offset the growing strength of China and so create space for other actors to have a voice.
- Promote transatlantic partnership as an instrument and not an objective. The countries of Latin America must see the value that partnership can bring. That value comes not from the fact of the relationship with Europe and North America; it comes from what the transatlantic partners can achieve together.

6.2 A Strategy for Security

A good place to start is by strengthening security through best practice. Security matters are a priority for action, both as they relate to global concerns about terrorism and nuclear proliferation and as they reflect regional concerns about piracy and drug trafficking.

⁹⁰ As the European Commission notes in its mid-term review of the regional indicative program with Mercosur, the political leadership in Latin America showed little enthusiasm for capacity building within the Mercosur secretariat and returned funds allocated to related projects unspent. See European External Action Service, (Mercosur) *Mid-Term Review and Regional Indicative Programme for 2011-2013*: http://eeas.europa.eu/mercosur/rsp/11_13_mtr_en.pdf

- Encourage joint-ownership. The first step is to stress that these are common problems that require common solutions. This is easiest with respect to global concerns like nuclear proliferation, where the voices of Latin American actors should be given greater prominence. It is more challenging in regional matters like drug-trafficking where the division between producers and users suggests fundamentally different dynamics. The European Parliament can play an important role in promoting a systemic understanding of security matters and so encouraging joint-ownership over the policy solutions that are developed.
- Enhance transparency. The next step is to continue to strengthen the flow of information both between national actors and at the regional level. The European Union has significant experience in sharing police data across countries and so could take the lead in helping to develop a broader platform.
- Emphasize rule of law. The European Union also has significant experience in balance the requirements for information-sharing with the protection of fundamental rights like privacy. This experience reveals that long-term security challenges are never addressed definitively. There is no silver bullet. Therefore it is important that security cooperation be grounded in a common understanding of the rule of law.
- Follow the money. Security cooperation should focus on those areas where both governmental and regional actors have the most leverage. Recent experience combating the threat of Islamic fundamentalism shows that efforts to monitor financial flows and to combat money laundering offer considerable leverage. This will require action on the part of all participants, large and small.

6.3 A Strategy for Sustainability

The protection of the environment and the development of sustainable energy resources is another area of common ground. Here, however, cooperation is complicated by the very different levels of economic development across the actors involved.

- Prepare public opinion. The European Parliament has an important role to play in bringing two messages to the public. The first that some adaptation to climate change is inevitable and the costs will fall unevenly across different parts of the Atlantic community. The second is that the costs of promoting sustainable energy consumption cannot be allowed to fall disproportionately on the developing world. This message must reach audiences in Europe, Canada and in the United States. And it must be used to build support for a redistribution of resources from North to South.
- Emphasise evidenced-based policy-making. The argument for redistributing the costs of adaptation to climate change and promotion of sustainable development will not find a ready audience in the United States, Canada or Europe. Therefore, the European Parliament must stress the scientific merits of the case. It must also insist on evidence-based policymaking, with regular impact assessments during the policy implementation phase.
- Encourage joint pre-competitive research. This emphasis on evidence-based policy will only succeed if all parties accept the evidence. Therefore, the European Parliament should take the lead in promoting joint pre-competitive research with all parts of the Atlantic community. Such research would encompass all parts of the problem from policy design and implementation to the generation of new sustainable technologies.
- Beware unintended consequences. Parliamentary oversight will be important throughout, particularly in reviewing the impact of assessments of policy changes. The recent history of bio-

fuel production shows how the unintended negative consequences of policy change can overwhelm the desired effects. Many times this happens because of differences in the structure of incentives across countries. That is why collective action and joint research is so important.

6.4 A Strategy for Equality

The integration of the Atlantic community must also include the promotion of equality of opportunity. The overarching objective is to ensure – in the words of US President Barack Obama – that the principles of justice and human dignity are upheld by all. Doing so, however, requires a reconsideration of population movements and migration.

- Expand information sharing. The first challenge is to obtain better data for lawful migration, illegal immigration and illicit human trafficking. The European Union has substantial experience in creating effective information sharing architectures (e.g. ECRIS – the European Criminal Records Information System) and accompanying cultures and the European Parliament could play an important role in promoting data sharing as a model.
- Streamline normalization procedures. The European Parliament should also stress the importance of providing clear pathways to escape from human trafficking and to move from unlawful to lawful immigration. This is an area where joint parliamentary action to share best practice could be important. The goals are to establish the localised reasons why and how individuals become wrapped into trafficking networks, and to map the topography of trafficking across the region. This will improve the identification and containment of trafficking operations and their grey support markets in accommodation etc. For the individuals caught up in human trafficking the goal is not to criminalize or ostracize the victims but to stress the importance of the rule of law and to normalise their status.
- Focus attention on push factors. Action must also be taken to address those factors that drive people to migrate across borders. The pull factors of wealthy countries and dynamic markets are important to replicate in all parts of the Atlantic community. The push factors of corruption, discrimination, and inequality of opportunity should be identified and eliminated as much as possible.
- Support non-governmental organizations as norm entrepreneurs. This challenge is not one that the European Parliament can easily address and it should not be left to government action alone. Civil society is often more effective at identifying abuses and promoting new norms. As a consequence, civil society actors are an essential component in any long-term solution to the challenge of immigration. The European Parliament can play a vital role in promoting civil society actors both as sources of information and as norm entrepreneurs. The European Parliament can also build cross parliamentary relationships to expand the reach of civil society actors across countries and at the regional level.

6.5 A Strategy for Partnership

The bottom line is that the problems to be faced in the broader Atlantic community are too big for any single country or region to tackle alone. Hence the challenge is to work together. That challenge must be met from the bottom-up. It must engage citizens, governments, and regional institutions. The European Parliament is a powerful illustration of how this can work both through formal institutions and via pan-regional political groupings. This model could be used as a platform for strengthening relations across the Atlantic community as a whole. Importantly, however, the countries of Latin

America should be treated as founding partners in this new relationship and not recent additions to older forms of cooperation.

- Lead from behind. The European Parliament can play a vital role by helping to create the conditions and coalitions within which other countries can share in the costs of decisive action. The European Union has unique capabilities and yet the countries of Latin America should be allowed to set the agenda and to drive the pace of change. Before they will do so, however, these countries must be given a more prominent place in the conversation. Mexico's recent leadership of the G20 is a good illustration. The EU-CELAC summit in Santiago is another example.
- Solicit new voices. Within these forums, it is important that Latin American voices be heard. The European Parliament could play a role in making those voices more prominent, encouraging localism, by offering joint resolutions and by working the regional actors like UNASUR or the new Alliance of the Pacific to draft common recommendations for summit agendas. The European Parliament could also play a role by giving greater prominence to the work of civil society organizations.
- Create legitimacy. It is not enough, however, simply to listen to new voices; the countries and organizations of Latin America must also participate in common decision-making. The European Parliament has great experience in making the case for just representation and in showing how democracy can operate across different countries. This experience gives the European Parliament moral authority to make the case for reform in the voting procedures and representative mechanisms of the various United Nations institutions, both those that emerged out of the Bretton Woods agreements and those embedded within the UN itself. A strong resolution in favour of institutional reform to strengthen the representation of Latin American countries in these institutions would do much to create legitimacy for the European Parliament's wider efforts at engagement.
- Celebrate differences. Ultimately, however, the European Parliament must accept that regional organizations in Latin America are not like those in Europe and that the Latin Americans do not want to follow the European model of integration. This is not only a result of the economic and financial crisis, although it is true that the Latin Americans view Europe differently in light of the recent turmoil. Rather, the Latin Americans prefer to emphasize the preservation of national sovereignty and cultural distinctiveness. This limits somewhat the capacity of Latin American institutions to ensure compliance with joint decisions and yet is an essential condition for Latin American participation in collective action. The European Parliament should make it clear that collective action poses no threat to national self-determination. Rather it is a vital instrument to preserve and celebrate national differences.
- Promote educational and cultural exchange. There are many policy areas that require attention and that are explored in this ad hoc study. Nevertheless, cultural and education exchange is foundational because it gives real content to "common values" and because it promises to create a new generation of transatlantic elites.

BIBLIOGRAPHY

- AfDB, *African Economic Outlook 2011*, 6 June 2011. Available at: http://www.afdb.org/fileadmin/uploads/afdb/Documents/Generic-Documents/Media_Embargoed_Content/EN-AEO_2011_embargo%206%20Juin.pdf (Accessed 13 February 2013).
- Alessandri, Emiliano, et al., *China and India: New Actors in the Southern Atlantic*, The German Marshall Fund of the United States, Washington D.C., November 2012.
- Allin, Dana H. and Erik Jones, *Weary Policeman. American Power in an Age of Austerity*, Routledge, Abingdon, Oxon, July 2012.
- Amoore, Louise and Paul Langley, 'Ambiguities of Global Civil Society', *Review of International Studies*, No 30(1), January 2004, pp. 89-110.
- Bennett, Elizabeth, 'Global Social Movements in Global Governance', *Globalizations*, No9(6), 2012, pp.799-813.
- Bowling, Ben, *Policing the Caribbean: Transatlantic Security Cooperation in Practice*, Oxford University Press, Oxford, 2010.
- Burbank, Joelle, 'Trans-Saharan Trafficking: A Growing Source of Terrorist Financing', *Occasional Research Series*, Centre for the Study of Threat Convergence, Washington D.C., September 2010.
- Centre D'Enseignement Supérieur de la Marine (CESM), '"Corymbe" A Permanent Mobile Base in the Gulf of Guinea', *Brèves Marine* No. 144, 3 April 2012.
- Chin, Gregory, 'China as a "net donor": Tracking dollars and sense', *Cambridge Review of International Affairs* No 25(4), December 2012, pp.579-603.
- Corporación Latinobarómetro, *2011 Report*, Santiago, 28 October 2011, pp. 101-102.
- Fargues, Philippe, et al., 'Shared challenges and opportunities for EU and US immigration policymakers', European University Institute and Migration Policy Institute, Florence and Washington D.C., October 2011.
- Freemantle, Simon and Jeremy Stevens, 'EM10 and Africa: new forces broaden Africa's commercial horizon', *Insight and Strategy Series*, Standard Bank (Canada), 16 March 2012.
- Glenny, Misha, *McMafia: A Journey through the Global Criminal Underworld*, Knopf Doubleday Publishing Group, New York, 2008.
- Haastrup, Toni, 'EU as mentor? Promoting Regionalism as External Relations Practice in EU-Africa Relations', *Journal of European Integration*, January 2013, pp.1-16.
- International Crisis Group, 'The Gulf of Guinea: The New Danger Zone', *Africa Report* No195, 12 December 2012.
- International Narcotics Control Board for 2011, 'Report of the International Narcotics Control Board for 2011', Publishing and Library Section, United Nations Office, Vienna, 28 February 2012.

Isbell, Paul, *Energy and the Atlantic: The Shifting Energy Landscape of the Atlantic Basin*, The German Marshall Fund of the United States, Washington D.C., December 2012.

Kraska, James, *Global Swing States and the Maritime Order*, The German Marshall Fund of the United States, Washington D.C., 27 November 2012.

Lesser, Ian O. , 'Southern Atlanticism: Geopolitics and Strategy For the Other Half of the Atlantic Rim' *Brussels Forum Paper Series*, The German Marshall Fund of the United States: Washington D.C., March 2010.

Naim, Moises, 'Rogue Aid', *Foreign Policy*, March/April 2007, pp.95-96.

NATO, *Chicago Summit Declaration*, 20 May 2012, paragraphs 18-24. Available at http://www.nato.int/cps/en/SID-9167B8B2-0F461C0E/natolive/official_texts_87593.htm?selectedLocale=en (Accessed 13 February 2013).

NATO, *General Secretary's Annual Report 2011*, 26 January 2012. Available at: http://www.nato.int/cps/en/natolive/opinions_82646.htm?selectedLocale=en (Accessed 3 February 2013).

NATO, *Lisbon Summit Declarations*, 20 November 2010. Available at: http://www.nato.int/cps/en/natolive/official_texts_68828.htm#partners (Accessed 3 February 2013).

NATO, *NATO 2020: Assured Security; Dynamic Engagement, Analysis and Recommendations of the Group of Experts on a New Strategic Concept for NATO*, 17 May 2010, Chapter 2. Available at: http://www.nato.int/cps/en/natolive/official_texts_63654.htm?selectedLocale=en (Accessed 3 February 2013).

NATO, *Partnerships: a cooperative approach to security*, Web topic 11 May 2012. Available at: http://www.nato.int/cps/en/SID-082EA1E0-3575E793/natolive/topics_84336.htm? (Accessed 3 February 2013).

Nelson, Rick and Aaron Ware, *An Emerging Threat? Piracy in the Gulf of Guinea*, Centre for Strategic and International Studies, Washington D.C., 8 August 2012.

Nyiri, Zsolt, and Joshua Raisher, *Transatlantic Trends: Public Opinion and NATO*, The German Marshall Fund of the United States, Washington D.C., 16 May 2012.

OSCE , *651st Plenary Meeting of the Forum*, FSC Journal No. 657, 6 July 2011. Available at: <http://www.osce.org/fsc/80803> (Accessed 3 February 2013).

OSCE, *Dublin Ministerial Council December 2012 webpage*. Available at: http://www.osce.org/event/mc_2012 (Accessed 3 February 2013).

OSCE, *Joint Declaration on Crimes Against Freedom of Expression*, 2012. Available at: <http://www.osce.org/fom/91595?download=true> (Accessed 3 February 2013).

OSCE, *Organization of American States Secretary General stresses need for strengthened regional co-operation in address to OSCE Permanent Council* [Press release], 28 October 2012. Available at: <http://www.osce.org/pc/74057> (Accessed 3 February 2013).

Palitiel, Jeremy, 'Canada's China re-set: Strategic realignment or tactical repositioning? Re-energizing the strategic partnership', *Canadian Foreign Policy Journal* No18(3) September 2012, pp.267-72.

Pflanz, Mike, 'Pirate attacks off Somalia plummet thanks to navies, armed guards', *Christian Science Monitor*, 30 October 2012. Available at <http://www.csmonitor.com/World/Africa/2012/1030/Pirate-attacks-off-Somalia-plummet-thanks-to-navies-armed-guards> (Accessed 13 February 2013).

Ramo, J. Cooper, *The Beijing Consensus*, The Foreign Policy Centre, London March 2004.

Rampa, Francesco, and Sanoussi Bilal, 'Emerging Economies in Africa and the development effectiveness debate', *European Centre for Development and Policy Management Discussion Paper* No 107, March 2011.

Reid, Michael, *Forgotten Continent: The Battle for Latin America's Soul*, Yale University Press, New Haven, 2007.

Richardson, John, et al, *The Fractured Ocean: Current Challenges to Maritime Policy in the Wider Atlantic*, The German Marshall Fund of the United States, Washington D.C., December 2012.

Roach, Morgan Lorraine, and Jessica Zuckerman, 'MANPADS on the Loose: Countering Weapons Proliferation in North Africa and the Sahel' *Heritage Foundation Issue Brief* No 3763, 5 November 2012.

Seligson, Mitchell A., 'Popular Support for Regional Economic Integration in Latin America,' *Journal of Latin American Studies* No 31(1), February 1999, p. 137.

Serfaty, Simon and Sven Biscop, *A Shared Security Strategy for a Euro-Atlantic Partnership of Equals, A Report of the Global Dialogue between the European Union and the United States*. Center for Strategic and International Studies, Washington D.C., July 2009.

Stahl, Anna Katharina, 'The Impact of China's Rise on the EU's Geopolitical Reach and Interests in Africa', *European Foreign Affairs* No16, February 201, pp.427-446.

Stockholm International Peace Research Institute website. Available at: <http://www.sipri.org/> (Accessed 13 February 2013).

United Nations, *Commodities and Development Report 2012*, United Nations Conference on Trade and Development. Available at: http://unctadxi.org/en/SessionDocument/suc2011d9_overview_en.pdf (Accessed 13 February 2013).

United Nations, Conference of the States Parties to the United Nations Convention against Corruption Open-ended Intergovernmental Working Group on Asset Recovery, *Overview of progress made in the implementation of Conference resolution 4/4 and the recommendations of the Working Group*, 27 June 2012. Available at: <http://www.unodc.org/documents/treaties/UNCAC/WorkingGroups/workinggroup2/2012-August-30-31/V1254547e.pdf> (Accessed 3 February 2013).

United Nations, *Information on ICCAT Compliance with Article 10 of UNFSA*, 2012. Available at http://www.un.org/Depts/los/convention_agreements/reviewconf/ICCAT_submission.pdf (Accessed 13 February 2013).

United Nations, *Press Conference By Minister for Foreign Affairs of Argentina*, 10 February 2012. Available at http://www.un.org/News/briefings/docs/2012/120210_Argentina.doc.htm (Accessed 13 February 2013).

United Nations, *The State of Commodity Dependence 2012*, United Nations Conference on Trade and Development. Available at: http://unctadxi.org/en/SessionDocument/suc2011d8_en.pdf (Accessed 13 February 2013).

United Nations, *United Nations Millennium Declaration A/RES/55/2*, Resolution Adopted by the United Nations General Assembly, New York, 8 September 2000.

United Nations Office for West Africa, *West Africa Coast Initiative* (pamphlet) Available at: http://unowa.unmissions.org/Portals/UNOWA/WACI/WACI_ENG.pdf (Accessed 3 January 2013).

United Nations Office on Drugs and Crime, *Global Report on Trafficking in Persons 2012*, New York December 2012. Available at http://www.unodc.org/documents/data-and-analysis/glotip/Trafficking_in_Persons_2012_web.pdf (Accessed 3 February 2013).

United Nations Office on Drugs and Crime, *The globalization of crime. A Transnational Organized Crime Threat Assessment*, Vienna 2010. Available at http://www.unodc.org/documents/data-and-analysis/tocta/TOCTA_Report_2010_low_res.pdf (Accessed 3 February 2013).

United Nations Office on Drugs and Crime, *The Transatlantic Cocaine Market*, Research Paper, April 2011. Available at: http://www.unodc.org/documents/data-and-analysis/Studies/Transatlantic_cocaine_market.pdf (Accessed 3 February 2013).

United States Department of Commerce Bureau of Economic Analysis, website: <http://www.bea.gov>. (Accessed 3 February 2013).

United States Trade Representative, *Free Trade Agreements*. Available at <http://www.ustr.gov/trade-agreements/free-trade-agreements> (Accessed 3 February 2013).

United States Trade Representative, *Letter of US Trade Representative Ron Kirk and Labor Secretary Hilda Solis to the Government of Guatemala*, 30 July 2010. Available at: http://www.ustr.gov/webfm_send/2114. (Accessed 13 February 2013).

Vestergaard, Jakob, and Robert H. Wade, 'Establishing a New Global Economic Council: Governance Reform at the G20, the IMF and the World Bank', *Global Policy* No 3 (3), September 2012, pp. 257-269.

Wallis, William, 'Drawing Contours of a New World Order', *Financial Times Special Report*, 24 January 2008.

World Bank, *Latin America and the Caribbean's Long-Term Growth: Made in China?*, The Office of the Chief Economist for Latin America and the Caribbean Region, September 2011.

World Bank, *World Development Indicators*. Available at: <http://data.worldbank.org/data-catalog/world-development-indicators> (Accessed 13 February 2013).

World Trade Organization, *Bananas: Discussions Continue on a Long-Standing Issue*, Briefing Notes Hong Kong WTO Ministerial, 2005. Available at:
http://www.wto.org/english/thewto_e/minist_e/min05_e/brief_e/brief22_e.htm
(Accessed 13 February 2013).

European Union documents and communications

Council of the European Union, *European pact to combat international drug trafficking – disrupting cocaine and heroin routes*, 3018th JUSTICE and HOME AFFAIRS Council meeting, Luxembourg; 3 June 2010: http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/en/jha/114889.pdf.

European Commission, *Africa, Caribbean, Pacific (ACP) website*: <http://ec.europa.eu/trade/creating-opportunities/bilateral-relations/regions/africa-caribbean-pacific/>.

European Commission, *DG Trade Statistics on Africa*, 18 January 2013:
http://trade.ec.europa.eu/doclib/docs/2011/january/tradoc_147189.pdf.

European Commission, *DG Trade Statistics on Argentina*, 18 January 2013:
http://trade.ec.europa.eu/doclib/docs/2006/september/tradoc_111470.pdf.

European Commission, *DG Trade Statistics on Brazil-Eu Bilateral Trade and Trade with the World*, 29 November 2012: http://trade.ec.europa.eu/doclib/docs/2006/september/tradoc_113359.pdf.

European Commission, *The EU, Africa and China: Towards trilateral dialogue and cooperation*, Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions; COM(2008). 645 final:
http://ec.europa.eu/development/icenter/repository/COMM_PDF_COM_2008_0654_F_COMMUNICATION_en.pdf.

European Commission, *EU Gives Developing Countries Duty-Free Access with GSP+*, Press Release Brussels; 9 December 2008: http://europa.eu/rapid/press-release_IP-08-1918_en.htm.

European Commission, *The EU's Free Trade Agreements -- Where Are We?*, MEMO/12/932, Brussels; 30 November 2012: http://europa.eu/rapid/press-release_MEMO-12-932_en.htm.

European Commission, *Everything But Arms*, DG Trade website, 23 February 2012:
http://ec.europa.eu/trade/wider-agenda/development/generalised-system-of-preferences/everything-but-arms/index_en.htm.

European External Action Service, *Final Report of the Transatlantic Symposium on dismantling transnational illicit networks*, November 2011:
http://eeas.europa.eu/us/events/symposium2011/2011_11_final_report_transatlantic_symposium_en.pdf.

European External Action Service, (Mercosur) *Mid-Term Review and Regional Indicative Programme for 2011-2013*: http://eeas.europa.eu/mercosur/rsp/11_13_mtr_en.pdf.

European External Action Service, *New Initiative to Combat Piracy in the Gulf of Guinea*, Press Release, Brussels; 10 January 2013: http://europa.eu/rapid/press-release_IP-13-14_en.htm.

European Parliament, *EU-Canada Comprehensive Economic and Trade Agreement*, Workshop December 2012:

<http://www.europarl.europa.eu/committees/fr/studiesdownload.html?languageDocument=EN&file=79470>.

European Parliament, *The Extraterritorial Effects of Legislation and Politics of the EU and US*, Study, October 2012:

<http://www.europarl.europa.eu/committees/fr/studiesdownload.html?languageDocument=EN&file=73891>.

European Parliament, *Legislative Proposal: Eurosur*, (2011/0427(COD), December 2011: <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=SEC:2011:1537:FIN:EN:PDF>.

European Parliament, *Plenary speaking points: State of play of the EU's trade negotiations with Mercosur*, Plenary of the European Parliament, Strasbourg; 17 January 2013: http://trade.ec.europa.eu/doclib/docs/2013/january/tradoc_150244.pdf.

European Parliament, *Resolution on China Policy and its Effects on Africa*, 23 April 2008. A6-0080/2008 / P6_TA-PROV(2008)0173.

European Parliament, *Ways and means to enhance ACP parliaments' role in the formulation of the Country Strategy Papers (CSP) and parliaments' oversight of the utilisation of the European Development Funds (EDF), especially in the context of budget support*, Study, 23 March 2005: [http://www.europarl.europa.eu/RegData/etudes/etudes/deve/2005/381353/EXPO-DEVE_ET\(2005\)381353_EN.pdf](http://www.europarl.europa.eu/RegData/etudes/etudes/deve/2005/381353/EXPO-DEVE_ET(2005)381353_EN.pdf).

Eurostat, *EU27 trade in goods with CELAC in balance in the first nine months of 2012*, News-release, 25 January 2013: http://epp.eurostat.ec.europa.eu/cache/ITY_PUBLIC/6-25012013-AP/EN/6-25012013-AP-EN.PDF.

Eurostat, *EU direct investments - main indicators*, 17 December 2012:

http://epp.eurostat.ec.europa.eu/portal/page/portal/product_details/dataset?p_product_code=BOP_FDI_MAIN.

Eurostat, *European Union Balance of Payments*, 21 January 2013:

http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=bop_q_eu&lang=en.

Eurostat, *Migration and migrant population statistics*, 12 December 2012

http://epp.eurostat.ec.europa.eu/statistics_explained/index.php/Migration_and_migrant_population_statistics.

DIRECTORATE-GENERAL FOR EXTERNAL POLICIES

POLICY DEPARTMENT

Role

Policy departments are research units that provide specialised advice to committees, inter-parliamentary delegations and other parliamentary bodies.

Policy Areas

Foreign Affairs

Human Rights

Security and Defence

Development

International Trade

Documents

Visit the European Parliament website: <http://www.europarl.europa.eu/studies>

ISBN 978-92-823-4158-2



ISBN 978-92-823-4158-2
doi: 10.2861/12515