

Some personal conclusions and recommendations based on my experience of Latin America

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My 25 years of service as an MEP have provided me with numerous opportunities to deal with issues relating to Latin America, and I have visited virtually all of the countries south of the Rio Grande, many on more than one occasion. Over the past few years I have acted as chairman of the European Parliament delegation for relations with South America and Mercosur.

After returning from the delegation's latest visit to Colombia and Ecuador, I would like to put forward a few ideas summarising my experiences.

1. **Latin America's influence on world affairs is decreasing**, not increasing. Its share of world trade is small, and growth in the region cannot be compared to that in Asia. Even if economic growth were to increase again, this would still not be enough to allow everyone to share in the prosperity.
2. **Poverty is increasing rather than decreasing**. The gap between rich and poor is so wide in most Latin American countries that it is difficult to single out any one country. There are exceptions, such as Chile, but even in Chile there is a long way to go before poverty is overcome.
3. The reasons for this underdevelopment are many and varied, with the inadequate role of the state being one of the main causes of the backwardness. The judiciary frequently lacks neutrality, **corruption** is the order of the day, the education system is underdeveloped and reserved for the rich, the administration is inefficient and the civil service anything but a service to the civil population.
4. As a result, the **credibility of the political elite is low**. Politicians have a poor reputation, and political parties are frequently not worthy of the name. Many see politics as synonymous with business.
5. Amazingly enough, **democracy is still held in high regard**. Very few people wish to return to the military dictatorships of the 1960s and 1970s, least of all the military itself, but there is an increasing desire for populist leaders, a trend which is in keeping with the centuries-old culture of caudillismo. However the popularity of such leaders is extremely short-lived, with enthusiasm after a victorious election soon giving way to disillusionment, or even disappointment, as the Brazilian President, Luiz Inácio Lula da Silva, is currently experiencing.
6. There have certainly been periods of higher growth, but these have been followed by **recession** or at least stagnation, with an absence of far-reaching structural reforms. The state is poor because the rich pay little or no tax. Land reform has frequently fallen by the wayside, and whilst millions of people throughout the enormous continent have no land of their own, others possess estates equivalent in size to Germany's federal states.

7. Even though these observations are not new, it still comes as a surprise that despite all the changes which have occurred, and which Latin America has also experienced, little has altered in this rather depressing description of the continent. On the contrary; whilst the upper class and a small segment of the middle class are gearing up to take their place in the 21st century, **most people remain bound to a way of life of past centuries.**
8. This backwardness can mainly be **blamed on an elite** which is more concerned with itself than with society. This elite must be replaced before reforms can occur, and there are signs everywhere that this is taking place. The emergence of new names such as 'Ludo' Garzon in Bogotá and Luiz Inácio Lula da Silva in Brazil are evidence of the public's desire for a new elite, and the traditional parties, which have forfeited much of their credibility, are the ones to pay the price. Yet there is also an important exception to this rule, in the shape of the Brazilian PT (Workers' Party). In addition, it remains to be seen whether the numerous non-governmental organisations and the feminist movement, for example in Paraguay, can help to bring about change within the political elite, with the outlook being at any rate promising.
9. However the **industrialised countries** are also to **blame** for Latin America's backwardness. If a country such as Ecuador is forced to set aside 40 % of its budget for debt servicing, little is left over for education, research, social policy and infrastructure. The idea that the government of an EU Member State should have to use 40 % of its budget year after year to repay public debts represents a nightmare scenario, and not only for finance ministers.
10. Although there is relative calm in Latin America at present, the situation could rapidly deteriorate in the future. Yet a victory by the forces pushing for social change in Latin America is also possible, and in no small way dependent upon the EU. The newly-enlarged European Union should therefore pay greater attention to the concerns and expectations of Latin America than has been the case to date. **The EU must not abandon Latin America to the US.**

Some recommendations:

1. There are various levels upon which the EU can deepen its relations with Latin America. The most important of these is **political dialogue**, as demonstrated in the regular meetings of foreign ministers, heads of state and government and members of parliament. As part of this dialogue, a plan of action should be agreed on which ultimately results in reform of the state, with the aim of such reform being an efficient and non-corrupt administration and judiciary, an inclusive social policy and extensive rural development.
2. The EU and Latin America should conduct an intensive 'business dialogue', which should also involve trade unions. The '**Mercosur-EU Business Forum**', which has brought together the business community on both sides of the Atlantic for several years, could serve as a model. A forward-looking exchange of views on state reform will only come about when social partners and politicians engage in a joint dialogue, in spite of the distance separating them.

3. To this end, a '**business dialogue**' should be formally established at the third summit of heads of state and government on 28-29 May in Guadalajara (Mexico). The US-EU partnership treaty signed by Presidents Bush and Delors in 1992 could act as a model.
4. Increased support should be given to the experience and enthusiasm of **non-governmental organisations**, and greater efforts made to put the EU's experience in social and environmental policy to use in Latin America.
5. An entirely new outlook is provided by **climate policy**, which has also attracted a great deal of interest in Latin America. The EU has committed itself to a consistent climate policy, and is determined to greatly reduce greenhouse gas emissions. In order to prevent the costs of this policy becoming unacceptably high, intensive trading in CO₂ emissions rights will be introduced in the EU from 2005, with measures to reduce CO₂ emissions in third countries, for example in Latin America, also being taken into account. In future, EU businesses and private or public 'Carbon Funds' will be able to invest in Latin America in exchange for CO₂ credits, and the trading of CO₂ credits against investments may rapidly grow to many billions of euro per year. This could be of great help in the fight against poverty, especially if investments focus on the electrification of rural areas using renewable energies.
6. **Scientific and technical cooperation** should be extended, with such cooperation covering visible projects and increased numbers of grants for students from Latin America. The EU is already present in Latin America with two large science and technology projects: the European Space Centre in Kourou (French Guiana) and the ESO observatory in Chile. A biodiversity research centre in Ecuador is a possible third project, and a proposal on the project is currently under consideration in Quito. However, whatever the outcome of the proposal, more attention should be paid to research and science, not least in order to galvanise the numerous economic agreements.
7. A more dynamic development of small and medium-sized enterprises could provide a major boost to Latin America's economy. Local and regional networks of **SMEs**, scientific institutions and European businesses could assist in this process, and such cooperation could prove beneficial to both parties.
8. **EU-Latin American chambers of commerce and industry** could play an important role in this process, as the time has come for the national chambers to be merged into EU-Latin American chambers. To give just one example; there is no need for a German-Ecuadorian, a French-Ecuadorian and a British-Ecuadorian chamber of commerce when there could be an EU-Ecuadorian chamber of commerce. This would also benefit the small EU Member States which have no diplomatic missions in these countries, let alone trade missions. The Commission could provide funding to encourage the merging of national chambers of commerce into EU chambers of commerce.
9. The EU is in the process of developing a common foreign and security policy, and sooner or later this will have an impact on the diplomatic missions. An EU foreign minister would want the support of an EU diplomatic service, which could only be formed from the current **Commission delegations**. The sooner this happens, the greater the benefit

will be for the EU's visibility in Latin America. There therefore needs to be a new division of labour between the EU delegations, which should have the status of EU diplomatic missions, and the national embassies, which represent the national political, economic and cultural interests of the Member States. Many small and medium-sized EU Member States will in any case reduce their external representation for reasons of cost, and rely increasingly on the EU missions.

10. The EU should do its utmost to promote the **integration process in Latin America**. Latin America could become the only region in the world today which follows the EU's example by voluntarily transferring national sovereignty to a supranational authority with the aim of promoting peace and economic growth. For many years now, there have been attempts at integration in Central America, the Andean countries and within the framework of Mercosur (or Mercosul), but Mercosur is by far the most promising. Bolivia and Chile have concluded agreements with Mercosur (whose members are Brazil, Argentina, Uruguay and Paraguay), and recently the Andean Community (Comunidad Andina de Naciones, or CAN) signed a treaty with Mercosur on what amounts to a common customs policy. To the surprise of many, Mexico is also seeking to conclude a similar agreement with Mercosur; in short, Mercosur is becoming a centre of gravity for Latin America. The heads of state and government of the Andean countries will shortly meet their counterparts from Mercosur, and a similar meeting will soon take place between the heads of parliament of the two blocs. Mercosur, or, to be more precise, Brazil and the enduring credibility of its President, Luiz Inácio Lula da Silva, is holding Latin America together, and all the other countries are attempting to gather round. The EU should be particularly sympathetic towards these developments, and endeavour to conclude an Association Agreement with Mercosur as soon as possible, as this would be a signal to all of Latin America. The EU should also avoid leaving Brazil's President Lula to tackle his problems alone.

In conclusion: Europe and Latin America have a long history of relations, which can ultimately be traced back to their many shared roots. As in the case of the US, Canada, Australia and New Zealand, relations between the EU and Latin America are not restricted to the economic sphere, but are above all cultural, historical and emotional. Not least in the interests of the EU itself, these relations must not merely be maintained, but also strengthened, in order to ensure the continued existence of our common culture in the 21st century. Latin America must be involved in all areas of the community of values shared by America and Europe, and the new European Commission and the newly-elected European Parliament must be prepared to work towards achieving this goal.