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**Perspectives on EU-Latin
American Cooperation:
Enhancing Governance,
Human Mobility and
Security Policies**



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Perspectives on EU-Latin American Cooperation:

Enhancing Governance, Human Mobility and Security Policies

I. Introduction

European Union cooperation with Latin America and the Caribbean will certainly be subject to significant changes in the next few years. A new political context in the EU will affect the cooperation policy towards Latin America and the Caribbean and substantially reduce cooperation efforts. There is reason to fear that serious inconveniences in the creation, implementation and execution of projects will be the result. Taking into account financial problems, which continue to affect some of the EU's most important members and the slow economic recovery after the economic crises in 2008/2009, a change of priorities in the EU foreign policy has to be expected. Even if Europeanism prevails in the political landscape after the EU's parliament elections, a more pragmatic approach in cooperation policy will be adopted. This new scheme of cooperation aims to bring more efficient and functional cooperation for the medium and long term needs of the main integration processes.

The integration blocs in Latin America remain another key factor within the multilateral cooperation. For example CELAC, CICA, CARICOM, MERCOSUR, UNASUR, are the most important integration processes and the synergy of interests might result in a strengthening of international cooperation. Furthermore, both regions are complementary in several

fields, such as the exchange of raw materials and the transfer of technology. It is also convenient for the EU that most of the integration processes in Latin America and the Caribbean have the same objective of efficient governance where the values of liberalism let the Latin American societies live together in a democratic atmosphere, supported by the rule of law. This could facilitate the implementation of policies such as the Sustained Development Goals (SDG).

II. Targeting main areas of cooperation between EU, Latin America and the Caribbean after 2019

The EU cooperation policy should be taken into account when considering the main challenges of the Latin American and Caribbean integration process, such as governance, international and human security and human mobility.

1. Governance

The European Union supports ‘Global Governance’, which implies “that all kind of actors might contribute to transnational and international orders, establishing forms of governance even in the absence of an effective world government”¹. For the European Union, the governance process is very important as it is the best way to learn how European policy can be closer to its citizens. In order to reach this goal, the EU combines policy tools, such as legislation, social dialogue, structural funding and action programs, in order to strengthen the Community Method of decision making which guarantees both the diversity and effectiveness of the Union and the cooperation between the European Commission, the European Council, the European Parliament and the European Court of Justice². In this way the

Internet resources, last date of access: 10 July, 2017.

- 1 Bevir, Mark, “*Governance a Very Short Introduction*”, Oxford University Press, Oxford, 2012, p. 80.
- 2 “European Governance White Paper”, Commission of the European Communities, Brussels, 27.07.2001, p. 9.

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EU supports the process of governance in the main blocs of integration of Latin American and the Caribbean and may also help to solve problems related to bureaucracy. Reginald Herbold Green says that “*Bureaucracy has figured but as a catch all epithet for governmental incompetence...*”³. In most of the Latin American and Caribbean countries bureaucracy is still a great problem. This situation creates work congestion in all areas, which has to be removed in order to invigorate the public sector. Another consideration is that good governance could also strengthen trade, industry and energy public policy.

However, the main integration processes in Latin America and the Caribbean need to leave the protectionist view, which has slowed their economic growth, and try to gradually liberalize their policies. Otherwise any reforms in the area of governance will not be visible. Cooperation with the EU in terms of governance would bring about considerable benefits, even if Europe is facing serious economic and financial problems. It could aim to generate and achieve social cohesion with a better understanding between society, public and private sector in order to generate better welfare for Latin American and Caribbean societies. However, liberalizing policies may generate a certain resistance in the more conservative positions within the integration blocs and that might have a negative impact for this type of cooperation. As one can appreciate, the issue of cooperation in the field of governance is indispensable for leading to economic growth for the integration blocs of Latin America and the Caribbean.

2. *International and Human security*

The European Union could become a good partner for countering some threats that both regions share together. However, Latin America and the Caribbean regional blocs first of all need to reshape their security approach.

3 Green, Reginald H., “*Good Government and Law: Legal and Institutional Reform in Developing Countries*”, in: Faundez, Julio (ed.), Macmillan Press Ltd, London, 1997, p. 57.

For example, one of the most prestigious authors in international security issues, Barry Buzan states, that

“.....the region in contrast refers to the level with States or other units link together sufficiently closely that their securities cannot be considered separate from each other. The regional level is where the extremes of national and global security interplay, and where most of the action occurs”⁴.

In short, Buzan wants to express that interdependence is accentuated by the factor of geographical proximity in terms of security. Therefore the different integration blocs that have been created in Latin America and the Caribbean should pay particular attention to the issue of security, which could have priority on the agendas of states. However, nations may regularly encounter opposition from the legislative powers blocking any regional initiative coordinating and adopting regional policies in this field. Another security aspect to be considered within a regional process is the exchange of information. The security services of the countries which make up a regional bloc should share all information regarding threats. Threats and attacks to one country usually affect the whole bloc.

The European Union can cooperate to strengthen the security of the integration processes in Latin America and the Caribbean. Even if there is not a geographical proximity to Latin America, threats in this region, which is located miles away from the Old Continent, could affect European interests in the near future. It is therefore necessary that the focus of the cooperation with the European Union is on the fight against narco-terrorism and strengthening intelligence networks. For example, as drug trafficking becomes more and more a major problem in Latin America, the situation also represents a threat to the European interests as drug trafficking is undertaken by the Mafia in the parts of the European Union.

In such cases, any threat should also be treated with an approach of preventative action, involving and comprising of the participation of the broader society. The training of Latin American police and anti-narcotics bodies in Europe and vice versa would be an interesting point. The experiences of both regions could be used. A close cooperation in such an

4 Buzan, Barry/Waever, Ole, *“Regions and Powers: The structures of International Security”*, CSIR, Cambridge, 2003, p. 43.

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area could be an interesting formula in the fight against this scourge. Also, training for the fight against terrorism, of Latin American police forces in the European Union could be an asset in the near future. If the menace of terrorism persists, European targets in Latin America could be attacked by jihadists as result of the instability in the Middle East. This would be a perfect opportunity to strengthen the European presence in the region. Other global players such as Russia, China or Iran could be also and maybe more, interested and involved in cooperating with Latin America in this area.

Another approach to security that could be used in the near future of EU cooperation with Latin America and the Caribbean is the idea of Human Security. This concept was redefined by The Commission on Human Security of the United Nations in May 2003, completely replacing the traditional state-centric vision that has been prevailing for years in theories of international relations with a concept based on the valuation of human life and making human security the center of analysis. In this approach, problems must be solved by invoking social cohesion, i.e. with the participation of the public sector, the private sector, social actors, intergovernmental and non-governmental organizations. This approach can have several axes such as economic security, food safety, environmental security, personal security, community security and political security⁵. Most Latin American and Caribbean countries are located in high risk areas with geological risk factors that can lead to earthquakes with serious consequences, furthermore the countries of Central America and the Caribbean are frequently hit by tropical storms and South America is especially affected cyclically by the phenomenon El Niño. In all cases the result is always the same: material damages and human losses. EU cooperation would be an essential contribution before, during and after a disaster. Such cooperation could be materialized in awareness-raising and prevention work on threats that are recurring as a consequence of global warming.

5 United Nations Trust Fund for Human Security, *“Human Security in Theory and Practice”*, Human Security Unit, New York, 2009, p. 6.

3. *Human Mobility*

Another area that could be taken into account for future cooperation between these two regions could be the subject of human mobility. While it is true that Latin America is far from the focus of conflict in the Middle East; it could nevertheless be a good opportunity for the EU to fund resettlement programs in Latin America and the Caribbean, especially in countries where there are good conditions for hosting people from the Middle East.

Additionally, another way could be that Latin American and Caribbean countries open or increase their quotas for hosting refugees. For this purpose publishing papers is not enough but real action has to be taken: EU bodies could function as advisors for the implementation of refugee integration policies given that they are already experienced in this field. This could be implemented by programs where language and national culture issues are taught to refugees in order to foster their integration. This is a real challenge where the European Union and Latin American countries could cooperate in the near future.

III. The main process of integration in Latin America and the Caribbean

Latin America in the 21st century is a very interesting region because of the goals accomplished in the fields of economic growth and income distribution. But a lot of problems are still remaining, especially in the areas of poverty, security and economic development. Currently, the main processes of integration in Latin America are led by the Community of Latin American and Caribbean States (CELAC), the Central American Integration System (SICA), the Caribbean Community and Common Market (CARICOM), the Union of South American Nations (UNASUR) and the Southern Common Market (MERCOSUR)⁶. The cultural and

6 See: EU-CELAC relations, online at: https://eeas.europa.eu/headquarters/headquarters-homepage/13042/eu-celac-relations_en.

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economic cooperation history between the European Union, Latin America and the Caribbean started in 1999 with a strategic bi-regional partnership. EU and CELAC work at an international level, dealing with a wide range of issues such as science and research, sustainable development, energy or investment and entrepreneurship; combining different levels of relations – regional, sub-regional and bilateral. For this purpose an EU-CELAC Summit is held every two years. In addition, the Foreign Ministers of the countries of both regions hold meetings in the years between the Summits. The EU is the only and the most important provider of Official Development Assistance in Latin America and the Caribbean. For the period 2014-2020, the EU has provided €3,4 billion of which €420 million is dedicated to Haiti, €235 million to Honduras and €281 million to Bolivia. The EU has established regional programs with Latin America and the Caribbean, with €925 million for Latin America and to €346 million for the Caribbean. In order to enhance the relationship with this vast region, the EU also supports so-called thematic programs, such as the European Instrument for Democracy and Human Rights or the Non-State Actors and Local Authorities Program⁷.

1. Challenges and perspectives of CELAC

Since the creation of the Community of Latin American and Caribbean States (CELAC) in December 2011, with the signature of the Caracas Declaration, CELAC has become a space for dialogue and political agreement at the Latin American level, which has its roots in two regional bodies: the Rio Group and the Summit of Latin America and the Caribbean (CALC). CELAC's main objective is to build a fair, democratic and free society in the Latin American countries within a framework of integration and development. From an economic point of view, some of the CELAC countries have become attractive when looking at the development of the global economy because of their high GDP rates, that are sometimes even above those of the developed countries and the world average level in times of crisis. In the 2008/2009 crisis that affected the world economy, Latin

7 Ibid.

American countries were not hit as severely as other regions in particular as the United States and Europe⁸. This is also shown by the fact that the CELAC's countries - despite the unfavorable global situation - were not only able to achieve an economic take-off but could also claim another success with the increase of growth rates in different social categories. This means that the public policies of these countries have achieved their predefined objective of contributing to sustainable development within a framework of regional integration.

The economic models of the different Latin American countries must be differentiated into two types: the socialist model and the liberal one. Both ideologies have competed against one another in the region since 1999. Both models have shown an economic growth that contributed to obtaining an "Equitable" income distribution. However, it must be taken into consideration that those socialist countries who based their economic growth on the export of commodities or oil, such as Venezuela or Ecuador, have suffered from a deceleration of their GDP growth with a forecast of limited growth according to figures from the International Monetary Fund until 2021. But not all predictions are negative; countries like Colombia, Peru, Chile and Mexico, also known as the Pacific Alliance, have better expectations of growth until 2021 according to the IMF. Brazil deserves a separate consideration as it is the largest economy in the region. Due to a series of corruption problems that the country has faced recently, Brazil's economy is affected indirectly and its growth forecasts until 2021 are extremely low⁹. Despite these ups and downs that have hit the Latin American economies since 2014, CELAC is developing a new approach that implies growth and income distribution to promote inclusion.

In the coming years, CELAC needs to work in a coordinated way with all its member countries, as regulated in the constituent documents on which this Latin American integration forum is based. The Caracas Declaration of

8 See: World Bank national accounts data, and OECD National Accounts datafiles, online at: <http://data.worldbank.org/indicator/NY.GDP.MKTP.CD?Locations=ZJ>.

9 "World Economic Outlook April 2016", International Monetary Fund (IMF), New York, 2016, p. 173.

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3 December 2011, including the Political Declaration of the V Summit of CELAC held in the Dominican Republic, contains the 2017 action plan which mainly highlights the areas of politics, economics, finances, social and cultural life, energy, infrastructure, integration and security. Its aims are to reduce poverty, to grant access to fundamental rights of education, health and work as well as to collaborate in questions of security.

With regard to the CELAC's main challenges for the next years, the stabilization of the integration process remains a very complicated issue. It is quite possible that the integration will continue to proceed slowly. But, on the other hand, the fact that most Latin American's countries are turning towards liberalism could facilitate the dialogue and conciliation mechanisms between the different countries and the predominance of only one single ideology in the region could make it easier to propose concrete measures for CELAC's integration. In the past the Venezuelan President Hugo Chavez was assiduously promoting this community. However, since his death there has been no other Latin American leader who has decisively pushed this integration project forward to ensure social, economic, political and cultural rights from an integrationist perspective. Another challenge is to create a common political agreement that guarantees the unity and integration of the region through a Regional Integration Strategic Agenda, assuming the will for political representation of Latin America in international forums.

2. Challenges and perspectives of SICA

Central America has had to learn from tragic events, especially during the Cold War, political crises, armed conflicts and systematic violation of human rights, which still affects countries today. With the return of democracy to this region, internal constitutional transformations have strengthened the rule of law, an indispensable prerequisite for the development of a country and for the regional integration process in Central America, which was assured under a liberal philosophical concept. As a result, the Central American Integration System (SICA) was created on 13 December, 1991, by signing the "Tegucigalpa Protocol" during the Eleventh Meeting of Central American Presidents in Honduras. From this

moment on Central America adopted a new approach at all levels and areas in order to advance integration, comprising economic, social, cultural, political and ecological aspects. The “Tegucigalpa Protocol” entirely reformed the Charter of the Organization of Central American States (ODECA) from 14 October 1951. The Protocol entered into force on 1 February 1993. SICA as a regional integration organization maintains good relations with several intergovernmental organizations concerning international cooperation¹⁰.

One of the main challenges over the next few years will be trade liberalization, especially customs and transport obstacles. Until now, SICA’s member countries have no standardized customs, phytosanitary requirements, tariffs and transport policies, which is a real problem for exporters. However, the SICA member countries must agree to liberalization if they really want to achieve sustained development in the economic integration of this region. Another challenge that SICA will face is human mobility. Some of the SICA member countries are used as transit countries by thousands of migrants on their way towards the United States. There are different opinions and also an underestimation of the importance of this matter by some countries, such as Costa Rica. On the other side, Nicaragua has a determined political will to face this problem from a regional perspective. Even after appeals from the office of the United Nations High Commissioner for Refugees (UNHCR) in 2016, for Central American countries to contribute to solving this crisis in protection of displaced persons:

“The crisis in Central America urgently requires a stepped-up protection response and a regional approach to sharing responsibility for this growing crisis. UNHCR is working closely with the governments of the region and civil society partners to enhance screening capacity to identify people forced to flee violence and persecution in the Northern Triangle”¹¹.

10 See: Reseña histórica del SICA, online at: https://www.sica.int/sica/resena_sica.aspx.

11 Sturm, Nora, “UNHCR calls for urgent action as Central America asylum claims soar”, 5 April 2016, online at: <http://www.unhcr.org/news/latest/2016/4/5703ab396/unhcr-calls-urgent-action-central-america-asylum-claims-soar.html>.

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Finally, concerning the Central America region, an efficient strategy has not been developed for countering the problems of citizen security. Countries of the Northern Triangle, such as El Salvador, still remain with the highest crime rate (103.3 per 100000), followed by Honduras (60.02 per 100000) and Guatemala (35.3 per 100000) in 2015¹².

Drug trafficking, murder, murder-for-hire, extortion, narco-terrorism, burglary, rape and sexual violence are affecting the security in the SICA member states and generate a feeling of insecurity amongst the citizens. This situation undermines the efforts of SICA's police bodies and is questioning the Central America Security Strategy (ESCA). Current violence is due to a legacy of violence and the wide income disparities affecting Central America since the Cold War. Most of the young people living in the SICA member states are growing up in a culture of violence, which is affecting all levels of society. All this is a consequence of the weakness in Central America's legal systems against criminality. Often the final result of a prosecution is impunity. As most of the criminals are part of organized crime, they will not be reported because of all the corruption within the security authorities.

What can be gained through the strengthening of the regional political union is to look for different sources of financing from global actors who are interested in developing social programs that support, not only to fight against criminality, but also to build a new culture of prevention that is ingrained and focused on the next generations. Making them aware of the consequences of this difficult situation. On the other hand, a lot of work should be done to strengthen social cohesion that will strengthen the societies of the ESCA's member countries. This is undoubtedly one of the formulas that will have results in the medium and long term. Perhaps the short-term plans of some political actors conforming ESCA are based on

12 Jaitman, Laura, *"The Costs of Crime and Violence: New Evidence and Insights in Latin America and the Caribbean"*, Inter-American Development Bank (IDB), New York, 2017, p. 7-70.

short term solutions and results without estimating or assessing that the problem of security in most countries of Central America is a structural one, the leaders of ESCA are responsible for finding a lasting solution. Without security there will be no further progress in these countries as it directly affects the economy; as it scares intraregional and foreign investors. No one would wish to invest in countries where there is instability and insecurity. Therefore a holistic approach is needed that promotes social cohesion. As it is true that states are responsible for ensuring security, but a high participation of society is needed too.

All these challenges in the near future must to be faced with a good political will and a regional approach where the main SICA's values would be tested. But first at all SICA's members must undoubtedly focus on political unity, after that it will be easier try to work together in the same way.

3. Challenges and perspectives of CARICOM

The Caribbean Community or CARICOM is composed of twenty developing countries and islands: fifteen Member States and five Associate Members (most of which are island states, belonging to the British Commonwealth of Nations). One of its main characteristics is that it contains several ethnic groups of Indigenous Peoples, Africans, Indians, Europeans, Chinese and Portuguese. Since its creation on 4 July 1973 with the signing of the Treaty of Chaguaramas, this community aimed for functional cooperation, especially after the revision of the above mentioned treaty in July 2001 and its entry into force on February 2002 in order to establish a single market and a single economy with a coordinated foreign policy. Considerable achievements have been reached through cooperation in education, in health, in culture and security¹³.

The consolidation of a single economic space is actually one of the biggest challenges that the processes of integration around the world face, because it means that all the members act as one territory without any internal borders, with a regulation in common aiming to promote the free

13 See: Who we are? Online at: <http://caricom.org/about-caricom/who-we-are>.

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movement of goods and services. Concerning the members of CARICOM, most of the states and Islands are relatively small in terms of production, basically they mainly produce and export minerals fuels, lubricants related materials and foods. However most of the Caribbean countries are dependent on the tourist sector given the features of this geographic area. This also has a positive impact on the economy; given that this activity promotes the generation of direct and indirect employment, which in turn benefits the GDP and attracts foreign investments. However, the tourism sector is a very sensitive business that is based on the behavior of external variables, making it a very volatile activity. The desire of wanting to implement a common economy and market has to be faced with an approach that maintains a realistic perspective. It means that the internal and external vulnerability of the region must to be recognized and accepted. It is necessary to adopt economic policy strategies that can reduce the effects of the vulnerabilities of this integration process. In the event of a global crisis affecting the region, the low performance of their economies, could slow down the integration process of the Caribbean countries. This would mean the beginning of the end of CARICOM, further accentuating the individualist and prevailing behavior in some CARICOM member countries, which would definitively affect the implementation of the Caribbean's single market and economy.

Even if most of CARICOM's producers and exporters have access to financial support through the regional agency Caribbean Export providing grants especially to private sector firms in the manufacturing sector. However, CARICOM has no great negotiating power, as consequence CARICOM cannot maximize gains concerning extra regional trade. This process of integration has far to go to reach competitiveness in a global market. In this case CARICOM must seek to counter trade strategies in commercial negotiations with other economic blocs; if it does not the asymmetry of international trade between big and small economic blocs would undermine the performance of small economic blocs.

Strengthening the functional cooperation is another challenge of the Caribbean Community because it remains a pillar of the Caribbean integration process. Functional cooperation is also a requirement that will

determine the economic and social cohesion and consequent survival of the CARICOM's members inside this process of economic integration in the near future. CARICOM has still not reached an agreement in the praxis concerning the terms of functional cooperation even if it exists in paper since the declaration of the twenty eighth meeting of the conference in July 2007. For this reason, the leaders of CARICOM must converge and accomplish this engagement in order to maximize the benefits for the Caribbean Community. This is the only way to empower intra-regional economic ties in the reach for a sustainable development, avoiding the prevalence of the defense of national interests that conspires against it.

Finally, another challenge for CARICOM in the near future is that of security, where it is clear that alliances with other economic blocs must be sought; in fact a strengthening of relations with global actors of the 21st century, with states and intergovernmental organizations that can provide solutions to some security issues such as climate change, transnational threats, human security including disaster management, food and energy security. However, antagonistic positions and visions are currently dominating the CARICOM political scenario. In this way is not possible to find a solution for these problems, even taking into consideration that the Caribbean zone is completely vulnerable in terms of natural disasters that year after year lead to substantial losses in property damage and human lives. CARICOM must work on this very important subject focusing on the culture of prevention with the support of global actors or external agents through solid bloc diplomacy. All relativism from the diplomacy of this regional bloc, which is only contributing to the isolationism, must be removed. Therefore it is necessary to work in the construction of a solid bloc diplomacy aiming to create productive ties in terms of cooperation.

In most Caribbean states, it is possible to find unsafe environmental conditions that undermine human security. There are also threats targeting the poorest and the most vulnerable people. It is mandatory to reshape the classic security state-centric approach to a people-centered approach in the Caribbean region in order to adopt a new human security strategy and counter the factors jeopardizing human security in the middle of a new regionalism paradigm. It will allow that CARICOM uses the right tools for

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developing in an effective way prevention-oriented policies, with the help of the international community that would be the perfect complements to these efforts.

4. Challenges and perspectives of UNASUR

The Union of South American Nations, also known as UNASUR, is an integration organization whose objectives are to build a South American identity and citizenship, as well as to develop a regional space where cultural, economic, social and political integration is possible; respecting the different realities of the twelve nations that compose UNASUR. On 8 December 2004, the South American Community of Nations (CSN) was created during a meeting of the presidents of South America in the province of Cuzco, Peru, in order to bring together the regional integration processes carried out until this moment by MERCOSUR and the Andean Community. The CSN gave way later to the formation of the Union of South American Nations (UNASUR). Subsequently, other meetings took place in Brasilia in September 2005 and Cochabamba in December 2006, where the Heads of State of the South American countries opted for a strategic plan to elaborate a common agenda in the region. Finally in April 2007 on Margarita Island, during the South American Energy Summit, the Heads of States changed the name of the South American Community of Nations to Union of South American Nations (UNASUR). From this moment on, the elaboration of the constitutive treaty of the Union of Nations began and it was approved in May 23, 2008¹⁴.

UNASUR is one of the youngest and most dynamic integration mechanisms seen at the beginning of the 21st century; occurring exactly at the time when the South American political landscape was dominated by the socialism of the 21st century. Nevertheless, this process of integration will have to take advantage of the synergy of the twelve member countries in the coming years. The South American presidents have fixed several specific objectives for the work of UNASUR since its creation; among

14 See: Historia Unasur, online at: <http://www.unasursg.org/es/historia>.

them, the integration of the economies which is one of the main problems to solve because of the asymmetry between most of them. Given that until now some countries still apply a socialist model in South America, it can be said that protectionism in those countries remains and is in opposition to countries that act on the principle of liberalization of the international trade such as Colombia, Peru, Chile and Mexico (Alliance of Pacific). Therefore cooperation in the economic and commercial area aims to achieve sustained economic development which is the only way to help overcome the asymmetries that have been responsible for the ideological and political divisions in South America for decades. By adjusting the UNASUR's economies, it would be possible to achieve an equal and fair income distribution in order to reduce poverty. This is in turn related to the field of human mobility, to which UNASUR has a comprehensive approach. The aim is to ensure the unrestricted respect of human and labor rights in the migration legislation and the harmonization of those policies between the twelve countries.

Security and defense are further challenges that the member countries of UNASUR are facing, but the budget for this is still minimal compared to other security alliances. From the point of view of UNASUR, security starts with the coordination of specialized agencies of the Member States, working together to strengthen the fight against terrorism, drug trafficking, human trafficking, arms trafficking, transnational organized crime and the non-proliferation of nuclear and weapons of mass destruction, demining; and the exchange of information and experiences in defense matters.

There is also another challenge in the budgets of the members of UNASUR. In the financial aspect, some of the South American countries are heavily indebted, being dependent on mineral or petroleum exports. Due to price fluctuations on the international commodity markets since 2014, South American countries could seek to finance themselves from external sources, which could make the bloc vulnerable because of dependence on external financing sources, as occurred in the 70's and 80's. In the medium term, it could seriously jeopardize the economic and social development in this region.

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Another challenge in the near future would be related to the improvement or changes in the energy matrix with the objective of extending the coverage of electrical services. For example in the case of Ecuador, it is worth highlighting the effort that has been made since the economist Rafael Correa and his Citizen Revolution came to power in 2006, where he opted to replace the electric energy generated by fossil fuel and tried to replace it in part by hydroelectric plants. In this way the change in the energy matrix had a positive impact on the economic and the environment. This latter aspect would become one of the most important issues for boosting cooperation concerning disaster prevention because of the effects of climate change, given that the Pacific coast of South America suffers from the consequences of the oceanic and climatic phenomenon also known as the El Niño, which more frequently hits the Ocean Pacific's coast leaving behind material and human losses.

Even in the 21st century, democracy and governance in South America remain unresolved challenges, therefore, the members of UNASUR should be engaged in promoting social cohesion; where all the actors of society could interact and intervene for the permanent promotion and defense of the rule of law. The empowerment of all these elements could lead to efficient governance, which in turn also serves to curb the advancement of corruption, which is deeply rooted in this region. Finally, transparency should be demanded from public institutions with policies adopted by mutual consensus, this means both government and opposition aiming to build a solid region where the margin for corruption would be minimal, accompanied by exemplary penalties.

5. *Challenges and perspectives of MERCOSUR*

The common market of the South, also known as MERCOSUR, is a process of sub regional integration initially instituted by Argentina, Brazil, Paraguay and Uruguay in March 1991 by the treaty of Asuncion. At this time, most of Latin American countries were affected by a very important economic crisis during the 80's and the intervention of the International Monetary Fund (IMF) was inevitable after the Consensus of Washington. Following which, most of Latin America countries adopted political and

economic liberalism as part of the solution for an economic recovery after the lost decade during the 80's. The main objective of MERCOSUR is to create a common space in order to promote commercial and investment opportunities through the competitive integration of national economies in the region. For this purpose MERCOSUR has signed several agreements with other blocs of countries looking for trade preferences with strategic partners around the five continents¹⁵.

The main countries of this integration process, Brazil and Argentina, have contributed significantly to MERCOSUR's development, notwithstanding both countries are facing a serious political, social and economic problems undermining the performance of this integration process. Despite the fact that MERCOSUR has become a very important actor not only in South America but in the international arena during the first decade of the 21st century, the political scenario in South America was not the most appropriate for the liberation of trade. Socialist countries continue to defend and apply protectionism to national industries. This difficulty still remains even if South America is currently turning to right-wing governments.

Given that MERCOSUR is currently the fifth-largest economy in the world, current geopolitical transformations of the international system must be taken into account. If MERCOSUR wishes to expand itself, it needs to look to establish not only trade ties with other blocs, but transfers of technology in order to reach economies of scale. Most global powers, as well as trade and economic blocs, are trying to expand ties in any direction towards China. In this case MERCOSUR must abandon the legacy of the economic approach adopted in some of MERCOSUR's developing countries founded in CEPAL's theory of promoting industrialization also known as 'Substitution of Imports' and to become more flexible for negotiating FTAs with new partners.

A change of approach in order to promote political integration is an important challenge and also very necessary. Even if MERCOSUR is one

15 See: ¿Qué es el MERCOSUR? Online at :<http://www.MERCOSUR.int/innovaportal/v/3862/11/innova.front/en-pocas-palabras>.

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of the most efficient integration processes in the Latin American region, the political integration remains a weakness of this bloc. It is clear that every state in the world is looking to defend its interests before others, which is a barrier to the expansion of MERCOSUR. So it is mandatory to build an approach based on common interests in order to get a common benefit. But considering the ideology of the Latin American peoples, it is still impossible, even if they share and are united by a common heritage and language, they still remain ideologically separated because of divergences in several fields.

Reinventing MERCOSUR's industry could be considered another challenge to be faced by this economic bloc in the near future, especially by the two most important members Argentina and Brazil. They must seek access to new markets which allow the generation of greater foreign exchange and take advantage of the competitive advantages of their members in the production of goods. To create a final product with the synergy of the whole bloc, aiming at a definitive consolidation of MERCOSUR. This bloc of integration must find a way to exploit and develop its natural resources.

On the other hand, the MERCOSUR members are characterized by a diversification of natural resources that can be appreciated in several sectors. For example the agro industry, where it is necessary to increase the transfer of technology in order to take advantage and reach an economy of scale that way. The development of the mining and energy sector is also an important factor within a strategic prospective of this regional bloc. Considering the reserves of oil and gas in member countries such as Argentina, Brazil and Venezuela (temporarily suspended), this bloc could take advantage of these assets for their respective exploitation, commercialization and export, creating a greater economic impact. MERCOSUR is going through a difficult time because of the low dynamism of its exports to third countries and its intra-regional trade that has declined dramatically. However, opportunities to solve its problems can be found in the founding members and partners of this commercial bloc. The founding members should continue negotiating for more advantageous conditions of access to markets for the bloc but at the same time must

reduce protectionism. On the other hand, MERCOSUR partners usually press founding members Argentina and Brazil to lead and seek more efficient ways to promote intra-MERCOSUR economic growth and integration and its strategic partners.

IV. Conclusions

The first thing that the European Union should do is to help Latin American blocs to reinforce their governance processes, which is not an easy task. At first, intra-regional consensus of the political, social and non-governmental organizations favoring social cohesion must be sought. This means going through a process of reconversion of the political culture in Latin America. It would make the political classes aware of the importance of creating spaces for dialogue and clear rules in politics. As a consequence it would be easier to work on forging a Latin American identity that would be a very important building bloc for this region in the future. Furthermore, it would lead to a true and united union such as Simon Bolivar, one of the greatest liberators, dreamt. If regional blocs were to be consolidated in Latin America, EU aid could be channeled more effectively rather than country by country. However, for the moment, reality remains quite different. The EU cooperation with Latin America and the Caribbean has been focused on cross-border cooperation, inter-regional cooperation, regional innovation, competitiveness and sustainable urban development¹⁶ in past years. This should change to introduce some new proposals, mainly in governance, international security and human mobility. Another factor to take into account concerning the cooperation with Latin America and the Caribbean is that in the near future the EU could reduce the funding of projects in some countries, which are constantly growing and can equitably distribute income, enhancing the quality of living of their people, such as Colombia, Peru, Chile and Mexico. It would leave the EU to focus on other countries with greater problems of sustainable development in this region.

16 See: EU–Latin America, online at: http://ec.europa.eu/regional_policy/en/policy/cooperation/international/latin-america/.

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EU cooperation with Latin America and the Caribbean should be based on the needs of the main integration blocs, which over the next few years have a number of challenges to face. Not only national, intra-regional or international issues, but also new relevant factors that cannot be ignored in the 21st century (such as climate change) which will have a very strong impact on the economies of this region. It means that the new EU approach towards international cooperation should define the areas of interest based on the challenges that these integration processes will face in the future and which, thanks to the EU financial support, could benefit Latin American and the Caribbean society in general. If the challenges of this region are taken into account in a pragmatic way, it could contribute to reducing poverty and increasing the quality of life of Latin American and the Caribbean citizens.

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