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The Latin American-EU Inter-Regionalism's vis-à-vis the Trans-Pacific and Trans-Atlantic Trade and Investment Partnership Agreements



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Abstract

This paper identifies the significance of the interregionalism comprised of the Euro-Latin American partnership vis-à-vis the Trans-Pacific Partnership and the negotiations towards the Trans-Atlantic Trade and Investment Partnership Agreement. The reflection departs from the historical perspective setting out the global rise of interregionalism itself. Unlike the traditional literature, which reverts back to the European regional model to explain relations between regional groups, the approach interprets interregionalism as an embedded process. The central argument is that the negotiation and implementation of the Trans-Atlantic and Trans-Pacific agreements reveals that, faced with these new transregional agreements, the strategic position of the Euro-Latin American interregionalism goes as far as to transcend the Atlantic.

Introduction

Regions play a rather significant and relevant role within the current reconfiguration of the global order. Although as of January 2016, the World Trade Organization (WTO) had registered 625 regional commercial agreements between two or more members,¹ the multiplicity of regional processes is far from homogenous. On the contrary, it suggests a variety of political and strategic projects, the elaboration of rules and norms set up by different actors, as well as in light of a myriad of social and economic structures. Still, the most telling fact of the influence of regions is both the newly concluded Trans-Pacific Partnership Agreement and the negotiations seeking to establish a similar agreement across the North Atlantic. In fact, it deals with two broad-ranging regional integration processes that have a direct impact on the regulation of the global flow of people, capital, and services. Furthermore, these agreements reflect the dynamics of the current constellation of global trade and production.² While the reach of these transregional partnerships across Latin America and Europe has been explored along the changes of regional organization in these areas,³ little light has been shed upon their impact on Latin America-Europe interregionalism.⁴

This paper is founded on the central premise that we are in the midst of a readjustment of global politics and economics according to regional trends. The purpose of this paper is

¹ Nevertheless, on the same date, only 419 agreements out of a total of 625 were reported as 'current'. See World Trade Organization, Regional Trade Agreements Information System <http://rtais.wto.org/UI/PublicMaintainRTAHome.aspx>. Accessed January 21 2016

² In relation to the Trans-Atlantic and Trans-Pacific agreements, and global approaches thereof, see Instituto para la Integración Latinoamericana, INTAL, El Mega-Regionalismo. Los acuerdos mega-regionales, s.f <http://www19.iadb.org/intal/interactivo/site/?p=786>. Accessed December 21 2015.

³ See Instituto para la Integración de América Latina, "Las negociaciones transatlánticas y el escenario futuro para América Latina y el Caribe", *Carta Mensual INTAL*, enero de 2014. <http://www10.iadb.org/intal/cartamensual/cartas/Portada.aspx?CartaMensual=996d0d87-7e9c-4b3e-b036-565d8a31c546>, Accessed January 12 2016, "Negociaciones de mega acuerdos: ¿Cómo influirán en América Latina?", *Carta Mensual INTAL*, 2013. <http://www10.iadb.org/intal/cartamensual/Cartas/Portada.aspx?CartaMensual=b987dfce-4aff-4d61-87a4-04106a44ffe1>. Accessed January 12 2016; Heribert Dieter, "El retorno de la geopolítica. La política comercial en la era del TTIP y el TPP", Friedrich Ebert Stiftung, Análisis de Política Internacional, 2015. <http://nuso.org/articulo/el-acuerdo-transpacifico-una-amenaza-la-integracion-latinoamericana/>. Accessed January 30 2016; Felix Peña, "A Preliminary View of the Negotiation of the TTIP: a Step toward the Fragmentation of the International Trading System?", en Joaquín Roy, Roberto Domínguez (Editors), *The Transatlantic Trade and Investment Partnership between the European Union and the United States*, Miami: The Miami-Florida European Union Center of Excellence / The Jean Monnet Chair of the University of Miami, 2014, pp. 185-198; Oswaldo Rosales, Sebastián Herreros, *Mega-regional trade negotiations: What is at stake for Latin America?*, *Interamerican Dialogue*, Working Paper. http://www.thedialogue.org/wp-content/uploads/2015/04/Rosales_Trade_1.pdf; Accessed December 7 2015 and Mario Turzi, "El Acuerdo Transpacífico, ¿una amenaza a la integración latinoamericana?" [versión electrónica], *Nueva Sociedad. Democracia y Política en América Latina*, octubre de 2015. <http://nuso.org/articulo/el-acuerdo-transpacifico-una-amenaza-la-integracion-latinoamericana/>. Accessed December 11 2015.

⁴ A recent publication on interregional relations ignores Euro-Latin American relations. Jordi Bacaria, Valeria Valle, "Introducción: las relaciones interregionales en el orden mundial", *Revista Cidob d'Affers Internacionals*, No. 110, septiembre de 2015, pp. 7-16.

thus to identify the significance of the interregionalism comprised of the Community of Latin American and Caribbean States (CELAC) and the European Union (EU) vis-à-vis the Trans-Pacific Partnership and the negotiations towards the Trans-Atlantic Trade and Investment Partnership Agreement. In this vein, my reflection delves into the creation of institutional spaces and links between the EU on one side and Latin America and the Caribbean on the other. The paper departs from the historical perspective setting out the global rise of interregionalism itself. Unlike the traditional literature, which reverts back to the European regional model to explain relations between regional groups, my approach interprets interregionalism as an embedded process. This is to say, one that is situated within global market integration and covering multiple areas of the planet at the same time. Thus, my central argument is that the negotiation and implementation of a Trans-Atlantic and Trans-Pacific agreement not only poses new challenges to global governance and to regional groups in Latin America and Europe, but it also reveals the relevance of the CELAC-EU strategic partnership.

In this paper, I show that the strategic objective of EU-Latin American interregionalism is refashioned in a global dimension vis-à-vis the Trans-Atlantic and Trans-Pacific agreements. I do so first by specifying the origins of the Euro-Latin American institutional partnership and then, I show why this interregional configuration later took on a strategic character vis-à-vis the US. In what follows, I identify the specificities of the Latin America and Caribbean-EU partnership in the context of global economic competition and the decentralization of political authority. I finish by highlighting that, faced with the new transregional agreements, the strategic position of the CELAC-EU interregionalism goes as far as to transcend the Atlantic.

The origins of Euro-Latin American Interregionalism

Interregionalism emerged as a distinct notion at the beginning of the first decade of the twenty first century from the confines of European academic circles.⁵ Since then, its use

⁵ Avoiding the downward spiral into banality when asking about who first used the term ‘interregionalism’, it is in our interest to note the milestones in the widespread literature that has shaped this notion. In 2000, the talks about “interregionalism” given at the *Dollars, Democracy and Trade. External Influence on Economic Integration in the Americas* at the *Center for Applied Policy Research* colloquium in Los Angeles, US, had a wide circulation between specialized researchers. Later, one of the first debates around interregionalism was the *Interregionalism and International Relations* Conference, organized by Heininger Hänggi, Jürgen Ruland, and Ralf Roloff at the Arnold-Bergstrasse Institute in Freiburg between January 31st and February 1st of 2002. Taking the title of the conference, the organizers published the talks through Routledge. A year earlier, Fredrik Soderbaum and Luk Van Lagenhove, both director and senior associate researcher at the United Nations University-Institute on Comparative Regional Integration Studies of Bruges, had published a special issue on the European Union and interregionalism in the *Journal of European Integration*. In December of that same year, all these authors gathered in Brussels with members of the European Commission in the framework of a seminar called *The Role of Interregionalism in the EU's Foreign Policy*, organized by the *Centre for European Policy*

has spread, albeit unquestioned, with much ease and success beyond the limits of the EU. The specialized literature around this notion sees interregionalism as a phenomenon taking place over the past twenty years⁶ and whose conceptualization generally takes the actions and relations of the EU as primary analytical and empirical evidence.⁷ Some authors do not hesitate in pointing out that historically, interregionalism has been a European invention,⁸ “a form of relationship unequivocally European”.⁹ It would appear that explaining and grasping this fact follows a long-standing and very popular script inside International Relations: self-made phenomena expand from Europe to the rest of the world.¹⁰

If instead, we assume that interregionalism expresses, above all, relations between regional groups,¹¹ our task is no longer about locating the analysis amongst the vicissitudes of actions and relations foreign to the EU, but about extending the observation towards a more global and less contingent viewpoint.¹² From this

Studies in Brussels and the *Centre for Democratic Control of Armed* in Geneva. This seminar, however, did not culminate in a joint work being published for the greater public.

⁶ Jurgen Rüland, “Interregionalism and International Relations: Reanimating an Obsolescent Research Agenda?”, in Francis Baert, Tiziana Scaramagli, Fredrik Söderbaum (Editors), Intersecting Interregionalism. Regions, Global Governance and the EU, New York-London: Springer, 2014, p. 15; Jordi Bacaria, Valeria Valle, *op.cit.*, p. 8.

⁷ See, among others, Heiner Hänggi, Ralf Roloff, Jürgen Rüland, *op.cit.*; Fredrik Söderbaum, Luk Van Lagenhove, *op.cit.*; Francis Baert, Tiziana Scaramagli, Fredrik Söderbaum (Editors), Intersecting Interregionalism. Regions, Global Governance and the EU, New York-London: Springer, 2014; Alan Hardacre Alan, Michael Smith, “The EU and the Diplomacy of Complex Interregionalism”, The Hague Journal of Diplomacy, No 4, 2009, pp. 167-188; Mario Telò Mario, Louise Fawcett, Frederik Ponjaert, Interregionalism and the European Union. A Post-Revisionist Approach to Europe’s Place in a Changing World, London, Ashgate, 2015.

⁸ Vasiliki Papatheologo, “Interregional and EU-ASEAN relations: Achievements, challenge and external influences, *Central European Journal of International and Security Studies*, Vol. 8, No. 3, p. 144.

⁹ José Antonio Sanahuja, “Regiones en construcción, interregionalismo en revisión. La Unión Europea y el apoyo al regionalismo y la integración latinoamericana”. En Christian Freres C., Susan Gratius, Tomas Mallo, Ana Pellicer (Eds), ¿Sirve el diálogo político entre la Unión Europea y América Latina?, Madrid: Fundación Carolina, p. 13.

¹⁰ Interregionalism has also been analyzed according to the myth within the field of International Relations that speaks of phenomena and processes within Europe and/or the U.S. as the singular material used to establish and nurture theories around global dynamics. e.g. Sberro Picard Joseph Stephan (2015), “La negociación del TTIP: del interregionalismo a la gobernanza global”, *Revista Cidob d’Afers Internacionals*, No 110, pp. 67-96.

¹¹ Taking the literal definition truly shows our analytical concern for limiting the phenomenon’s particularities. But it is also proof of the distance we have taken with respect to interpretations that regard the relation between a state and a region as an expression of interregionalism, and with respect to explanations that assume the existence of an “interregionalism without regions”.

¹² For a critical review of interregionalism notion, see Giovanni Molano-Cruz, El interregionalismo y sus límites, *Estudios Internacionales*, Vol. 40 No. 158, 2007a, pp. 9-27; María Cecilia Olivet, “Unravelling Interregionalism Theory: A Critical Analysis of the New Interregional Relations between Latin America and East Asia” Paper at VI Reunion de Estudios de América Latina y el Caribe sobre el Asia Pacífico, BID-INTAL, Buenos Aires, 12-13 de octubre <http://www10.iadb.org/intal/intalcdi/PE/2012/11104a16.pdf> accessed December 11 2015; Arturo

perspective, the global historical record indicates that the configuration of interregional relations and spaces is more complex and less limited to the EU's external movements and strategies. As a phenomenon, interregionalism is bound, on the one hand, to the socio-historical transformations that result in the progressive liberalization of all obstacles to the free market. And on the other hand, it is bound to the mutations of the foreign actions of regional groups. Therefore it is possible, in my opinion, to make a broad distinction between three periods in the global emergence of interregionalism. The first stretches from the 1970s to the end of the 1980s. The second continues up to the first economic crisis of the 21st century. The third spans the contemporary era. Europe-Latin America interregionalism is actually built within the context of these three periods.

During the first stage, interregionalism was characterized by a predominance of the ideas of solidarity and cooperation. Interregional relations emerged on the scene brought about by the economic crisis of the 1970s. Back then, European regional integration was most certainly the protagonist, but not the only actor, in the formation of the interregional phenomenon.

Interregionalism appeared in the middle of political redemptions, negotiations, and actions directed towards balancing economic and commercial relations on a global scale. Thus, the first interregional links were fashioned around the logic of economic and development cooperation. Faced with the consequences of an economic crisis stemming from various oil crashes (1973-1979) and from the desperate hunt for raw materials, European integration consolidated the institutionalization of its first intergovernmental policy of development aid. These policies fit squarely within the debate between countries interested in preserving privileged relations with their ex-colonies (particularly France) and countries that preferred a Europe with a "universal calling" (mainly the UK).¹³ These policies also allowed for the creation of relations both with the more dynamic national economies of Latin America, Africa, and Asia as well as their regional integration processes.¹⁴ From their part, governments in these continents, claiming less asymmetrical economic relations, looked to adapt their economic sectors abroad to "national development" through regional integration and foreign actions. It was such that in 1971, José María Aragao, Deputy Director of the Institute of Latin America and Caribbean Integration (INTAL) established in 1965, noted that Latin American integration strategy called for three types of actions abroad: powerful action directed towards diversifying exports, common action between the countries involved in reaching price

Robles, The Political Economy of Interregional Relations, Hants-Burlington: Ashgate, 2004, particularly the first chapter; and Jürgen Rüländ, *op.cit.*, 2014.

¹³ Le Naëlou Anne, *Politiques européennes de développement avec les pays du Sud*, Paris, L'Harmattan, 1995.

¹⁴ Ntumba Luaba Lumi, La Communauté Économique Européenne et les intégrations Régionales des pays en développement, Bruxelles, Emile Bruyant, 1990 ; Geoffrey Edwards, Elfriede Regelsberger (Editors), *Europe's Global Links. The European Community and Inter-Regional Cooperation*, London, Pinter Publishers, 1990.

stability for raw materials, and selective orientation in imports and external debt.¹⁵ Strategies like these, coming from regional integration groups gave place to the creation of the first interregional spaces.

In 1971, the Special Commission for Latin American Coordination (CECLA) proposed to Brussels “the organization of a cooperative system” between the two regions.¹⁶ The European Economic Community (EEC) Council replied positively and suggested a meeting between the Latin American ambassadors approved by the EEC and the civil servants of the European Commission and member states of the EEC Council. These interactions led to a series of meetings called the “Dialogue between Latin America and the EEC”.¹⁷ The following year, in 1972, the Committee between the Association of Southeast Asian Nations (ASEAN) and the EEC was established through a similar process.¹⁸ The real institutional configurations between regional integration groups, however, only emerged in the early 1980s. In 1980, the ASEAN and the EEC signed an agreement on interregional cooperation; three years later the EEC and the Cartagena Agreement —the founding text for the Andean Community (CAN)— followed suit. Subsequently, in 1986, the Central American Common Market (CACM) and the Southern African Development Coordination Conference (SADCC) also signed a text on interregional cooperation.¹⁹ Likewise, the Gulf Cooperation Council (GCC) and the EEC launched formally regulated relations in 1988.²⁰ Additionally, in Rome, the institutionalized political dialogue between the Rio Group and the European Community was initiated in 1989 at the ministerial level.

From a global perspective, these first steps towards generating spaces and formal relations of interregional cooperation were, of course, limited to the East-West conflict, in particular to the “Second Cold War” of the 1980s. But throughout these years, similar to its origins in the 1970s, interregionalism was determined by shifts in the world economy. The ASEAN-EEC agreements and the EEC-Cartagena Agreement were indubitably based

¹⁵ Jose Maria Aragao (1971), “Algunos aspectos estratégicos del proceso de integración económica de América Latina”, *Revista de la Integración, Economía. Política. Sociología*, No 8, mayo de 1971, pp. 5-63.

¹⁶ Instituto para la Integración de América Latina, “Deliberaron en Bruselas representantes de la CECLA y de las Comunidades Europeas”, *Boletín de la Integración*, No. 68, agosto de 1971, pp. 427-436.

¹⁷ Instituto para la Integración de América Latina, “Las Comunidades Europeas y las Relaciones con América Latina”, *Boletín de la Integración*, No. 73, Enero de 1972, pp. 349-354.

¹⁸ Katharina. Meisner “¿ Ha fracasado el interregionalismo ? Las negociaciones UE-ASEAN, *Revista Cidob d’Afers Internacionals*, No. 110, pp. 17-41.

¹⁹ Under the Lomé III Convention, the European Commission and SADC signed in 1986 a Memorandum of Understanding for cooperation in the field of regional programmes and projects. European Commission, Press Release Database, http://europa.eu/rapid/press-release_IP-86-206_en.htm?locale=EN Accessed May 12 2016.

²⁰ In 1986, The European Parliament approved the conclusion of an agreement between the European Community and the GCC without specifying its form. However, two years later, the cooperation agreement between the community and the GCC was signed in Luxembourg. European Commission Press Release Database, http://europa.eu/rapid/press-release_MEMO-93-25_en.htm Accessed January May 12 2016.

on the logic and values of development cooperation. But they also fused financial and economic cooperation. The former, understood as the increase of exchanges, including the removal of customs and non-customs barriers. The latter, taken as the creation of connected spaces between entrepreneurs. Development aid was assimilated specifically as financial and technical public aid for rural projects. Furthermore, those first ASEAN-EEC and EEC-Cartagena agreements were also looking to put into action conditions that favored investment²¹.

The incubation period of interregionalism kept to the pace of world market integration while simultaneously developing amid political ambitions and intentions that sought to manage interdependence. On the one side, the pursuit of cooperation had the goal of “establishing a new phase of international cooperation based on equality, justice, and progress”, an objective openly marked by the political quest of creating a New International Economic Order. On the other side, actions and relations from the aforementioned interregional cooperation left open new international spaces for addressing world issues as matters of interest common to all the regional groups. Thus, since the origin of its configuration, interregionalism has been a global phenomenon built out of regional groups’ external actions and relations.

The Dawn of the Latin American-EU Strategic Partnership

The strategic alliance between Latin America and the Caribbean and the EU was created during the second stage of the global rise of interregionalism. The 1990s was a time in which interregionalism was focused on liberalizing economic exchange. Three concrete facts from the global expansion of neoliberalism and the relevance of regional movements aftermarket unification stand out. The first is the founding of the Asian-Pacific Economic Cooperation (APEC) in 1989. The second related to the New Transatlantic Partnership (NTP) between the U.S. and the EU in 1995²², while the third pertains to the Asia-Europe Meeting (ASEM) in 1996.

The implosion of the communist bloc and the redistribution of economic forces around the hegemonic notion of the market witnessed the intensification of relations between regional groups as well as of their foreign actions and relations. Since then, interregional

²¹ Communauté économique européenne, Accord de coopération entre la Communauté économique européenne et les pays membres de l’Association de nations du Sud-est asiatique, Journal Officiel, CEE L144 10/06/1980 ; Communauté économique européenne, Accord de coopération entre la Communauté économique européenne et l’accord de Carthagène, Journal Officiel, CEE L153, 08/06/1984.

²² In 1990, in accordance with the Transatlantic Declaration, both sides had committed to « promote market principles, reject protectionism and expand, strengthen and further expand the multilateral trading system. See *Transatlantic Declaration on EU-US relations*, 1990. http://eeas.europa.eu/us/docs/trans_declaration_90_en.pdf Accessed January 4 2016.

cooperation, spaces and relations bring with them, by nature, a multiplicity of topics and objectives shaped by regional blocs' policies and strategies.²³ In this second period, interregionalism favored regular encounters between different actors who represented diverse interests and who mobilized under the wing of regional blocs. Yet, interregionalism in this stage was also determined by two forces, both economic and global in nature. It can be argued that the force of the framework came from relations established between the US, the EU, and the Far East, whose results we have termed transregional agreements, namely APEC, NTP, and ASEM. Conversely, the force of the sense of world processes of commercial exchanges and financial flows made the interregionalism of the 1990s. In addition, the shadow of the financial and economic crises of the 1990s was also influential in the second stage of interregionalism. Under these conditions, between 1990 and 2008/2009, interregionalism was hatched together out of free trade agreements or even out of partnership agreements looking to establish free trade.

In 1996, surrounded by the effects of the Mexican financial crisis —otherwise known as the “Tequila Effect”, Ministers of Foreign Affairs from the Mercosur bloc found their ASEAN counterparts on the sidelines of a WTO meeting in Singapore. Three years later, at the height of the Asian Economic Crisis, the Forum for Cooperation between Latin America and East Asia (FOCOLAE) came into being with three working groups named: “politics and culture”; “economics, society, and education”; and “science and technology”.²⁴ In other words, throughout its consolidation in the second period, and as a result of the foreign relations of regional groups, interregionalism covered a wide range of topics not merely limited to economic matters. All around the world, regional blocs not only set in motion a strategy to improve economic relations with other member countries, but also included the discussion of political, social, and global matters in their foreign agendas. In the course of the 1990s, regionalism became a prototype of multidimensional cooperation and regional blocs evolved as actors in the world-space. While relations between regional groups expanded, interregionalism —albeit without legal existence— transformed into a global governance arena.

In the case of integration models for Latin America and the EU, interregional cooperation, starting in the 1980s, entered a new stage in the next decade when it included economic cooperation alongside development cooperation —explicitly in the agreements. The former, unlike the latter, which was structured around aid and solidarity, was envisioned

²³ In 2006, Heinner Hanggi recorded 82 forums, spaces, arrangements and interregional agreements. Although the author advanced a broad definition of interregionalism, including the relationship between a state and a region, their work is useful in order to identify the empirical and global dimensions of interregionalism. See Heiner Hänggi, *op.cit.*, 2006.

²⁴ María Cecilia Olivet, *op.cit.*

through mutual economic interest. Moreover, the Euro-Latin American agreements signed in the 1990s added a “democratic” clause as well as an evolutionary clause in order to include all kinds of cooperation deemed useful to both parties. These were agreements that in their objectives forecasted negotiations of free trade zones between the EU and Latin American countries and groups. They also meant a renovation of Euro-Latin American interregionalism, which was framed by the commemoration of 500 years of the “meeting of two worlds” (1492-1992). In other words, if the context of interactions allowed cultural and historical aspects to be mixed in with economic discussions, cultural and historical values were likewise used as triggers for renovating interregional cooperation.²⁵

During the 1990s, the EU’s policies towards Latin America pushed economic and political positions with the goal of counteracting the “Initiative of the Americas”. The latter was launched by the US at the beginning of this decade, and touted the creation of a free trade zone from “Alaska to Tierra del Fuego”. More specifically, five years after Canada, the U.S., and Mexico signed the 1994 North American Free Trade Agreement (NAFTA) in Rio de Janeiro. Europeans made the suggestion to Latin Americans to create a strategic partnership. The idea was welcomed in Latin America with the intent of strengthening the margin of the region’s and its member countries’ autonomy on the global scene, and particularly, vis-à-vis the US. As such, it was twenty nine years after Latin Americans, through CECLA, proposed to authorities in Brussels to “organize a system of cooperation”, that the Latin American and the Caribbean-EU Summits of Heads of States and Governments emerged in the Atlantic. These summits, held between representatives from the highest political level from the two regions, were designed to promote regular coordination, which on the one hand, allowed for discussions and management of matters and issues in three areas: democracy, free trade, and global matters; and on the other hand strengthened joint cooperation in multilateral spaces.²⁶

Around this same time and indeed throughout the 1990s, the EU deployed interregionalism as “a vehicle to gain international acceptance for the EU’s own regional integration process”,²⁷ and a way to project a more humane economic governance model.²⁸ This did not imply that the discourse and implementation of the European

²⁵ Luis Xavier Grisanti, *El nuevo interregionalismo transatlántico: la asociación estratégica Unión Europea-América Latina* Documento de Divulgación, Buenos Aires, INTAL-BID, 2004.

²⁶ See América Latina-Caribe-Unión Europea: Primera Cumbre. Declaración de Río, Bruselas, 29 de junio de 1999. Recuperado el 4 de enero de 2016 de: <http://www.europarl.europa.eu/delegations/noneneurope/idel/d12/docs/cumbrederio/declaracionfinales.htm>

²⁷ Fredrik Söderbaum, Luk Van Lagenhove, *op.cit.*, p. 372.

²⁸ Jean Grugel, “New Regionalism and Modes of Governance: Comparing U.S. and EU strategies for Governance in Latin America”, *European Journal of International Relations*, Vol 10, No 4, 2004, pp. 603-626.

interregionalism in Latin America to lose its meaning of neoliberal governance project.²⁹ The strategic partnership process that began in 1999 in Rio de Janeiro, gave rise fourteen years later, to the first summit between the CELAC and the EU. Certainly, since the beginnings of its configuration in the 1970s, Latin America and the Caribbean-EEC interregionalism has been enriched by the inclusion of diverse topics and the creation of regular mechanisms of meetings between different actors (state and regional civil servants, entrepreneurs, members of Parliament, academics, and trade unionists).³⁰ Nevertheless, in the context of the failure of the WTO's Doha Development Round, Euro-Latin-American interregionalism has intensified its economic dimension since 2003. Both Chile and Mexico in conjunction with the EU started cooperation in partnership agreements the objectives of which included the creation of free trade zones. Motivated by the same factors and perspective, Mercosur and the EU began negotiations. While the CAN and the CACM, having already started negotiations tending towards preferential commercial agreements with the US, asked the EU to begin negotiations to create interregional free trade zones. The EU replied by postponing the discussion as, according to European Commission's view, neither the CAN nor the CACM had reached a sufficient level of regional integration. As we will indeed see in the next section, the situation evolved into the third stage of global interregionalism, but without resulting in the expansion of Euro-Latin American interregional free trade zones.

Latin America and the Caribbean-EU Relations in the Context of Global Economic Competition

Under the global spotlight, the third stage of interregionalism starts off in the context of the effects of the first economic crisis of the 21st century. In the wake of the financial collapse in the fall of 2007, two profound and opposing processes were reinforced. The first was an increase of global problems that called for global solutions. In actual fact, if the banking crisis that emerged in 2008 has been characterized by the resurgence of traditional problems related to the unstable regulation of world finance, it has also bolstered the unquestionable interdependence inherent in global economic integration. The second process, reinforced by the last world financial crisis, is the shift of the world

²⁹ Rosalba Icaza, "Global Europe, guilty! Contesting EU neoliberal governance for Latin America and the Caribbean", *Third World Quarterly*, Vol. 31, No. 1, 2010, pp. 123-139

³⁰ On the diversity of authors involved in Latin America and the Caribbean-EU interregionalism: Christian Freres, "The European Union as a Global Civilian Power: Development Cooperation in EU-Latin American Relations", *Latin American Politics and Society*, Vol 42, No 2, 2000, pp. 63-85; Cecilia Alemany, "Mecanismos de Diálogo Unión Europea-América Latina", en Christian Freres C., Susan Gratiús, Tomas Mallo, *op.cit.*, pp. 43-62; Giovanni Molano-Cruz, "El diálogo Unión Europea-Comunidad Andina sobre drogas ilícitas", *Colombia Internacional*, No 65, pp. 38-65, 2007b; Lorena Ruano, "La relación birregional y la desintegración en América Latina" en Joaquín Roy y Roberto Domínguez, (Eds.), *España, la Unión Europea y la Integración Latinoamericana*, Miami: Florida European Union Center/Jean Monnet Chair, 2010; Stuhldreher, *op.cit.*

economic centre from the Atlantic to the Pacific. In fact, despite the often-highlighted phenomenon of the so-called “emerging countries”, from an empirical point of view, no region has benefited from the redistribution of wealth as much as Asia, and particularly, China.³¹ This process has ushered in a mini-lateralism —reflected in multiple forums, meet-ups, and *ad hoc* groups— that rivals classic multilateralism (most notably the UN system, which reached its peak in the 1990s). Presently, we are witnessing a phenomenon of great historical and geographical reach: world economic integration centered now in the Pacific and a subsequently discernable global spread of political authority.

In our time, public authorities have entered an era where economic relations are created and strengthened in all corners. Furthermore, their capacity for external action through participation in regional or global groups, whether they be thematic or functional, ephemeral or permanent, is multiplied. In light of this situation, shaping external actions and relations also implies multiple and diverse horizons for regional blocs. As a result, contemporary interregionalism, as a phenomenon, exudes economic cosmopolitanism and global governance’s *realpolitik*. Firstly, it draws together actors oriented (or even pressured) towards making a competition-centered world market more robust.³² For regional groups, and for states, stimulating economic competitiveness inevitably consists of establishing commercial relations under free trade agreements with different kinds of markets (national, regional, continental). Secondly, interregionalism thereupon, contains a *realpolitik* dimension assembled not out of relations of force or national interests, but out of active participation —or at least presence— in global problem management and in the creation of links with a variety of actors.³³ Social actors might even look to intercede in regional spaces, which they denounce, be it argumentatively or in practice, as taking part in the governance of liberal globalization.³⁴

Contrary to what the traditional specialized literature suggests, the interregional phenomenon can be interpreted, understood, and explained as more than movements of the EU in the world-space. Relations and interregional arrangements are manifested throughout the world beyond economic matters. Free trade, competition in financial markets, trade liberalization, poverty, social inclusion, democracy, human rights, the environment, control of migration flows, issues of security, terrorism, and the trafficking

³¹ See OECD *Perspectives on Global Development 2010: Shifting Wealth*, Paris: OECD, 2010.

³² About the notion of economic cosmopolitanism see Carmelo Cattafi, “Las acepciones del término cosmopolitismo: una aportación a la taxonomía de Kleingeld, *CONfinés. Relaciones Internacionales. Ciencia Política*, Vol. 10, No. 19, 2014, pp. 21-22.

³³ About the *realpolitik* of global governance, see Arnaud Blin, “Vers une nouvelle realpolitik, Diploweb”, *La Revue géopolitique*, le 5 September 2015. www.diploweb.com Accessed September 25 2015

³⁴ Rosalba Icaza, *op.cit.*

of illicit drugs are issues that are part of interregionalism, as reflected in the Euro-Latin American case.³⁵ Interregionalism is a complex fact that includes the management of global issues based on relationships, interconnections, and spaces created by the foreign action of the regional blocs' representatives.

However, even if interregionalism is a place to negotiate and discuss diverse affairs, it is not a place to structure global economic relations. In the context of an exacerbated competition, increased through the process of global market integration, economic relations tend to aim towards bilateralism and not for interregionalism. In these days, trade agreements are marked by economic competition and not by the intention of building a more just and less asymmetrical world.

In 2007, the EU began negotiations to sign free trade agreements with the CAN, the CACM and the ASEAN. However, those interactions quickly found difficulties with EU requirements and disparities within ASEAN and Andean integration.³⁶ Interested in preserving economic competitiveness, particularly with respect to China and the US, the EU and some member states of CAN and ASEAN launched negotiations to establish bilateral free trade agreements.³⁷ In order to develop its Latin American strategy, the EU focused on the reality of its economic interests and put aside its idealist whims.³⁸ In 2012, Peru and Colombia, two countries then tied to the US through free trade agreements, finished hashing out a similar agreement with the EU. Central America (CACM and Panama) and the EU, on the contrary, signed a one-of-a-kind interregional free trade agreement.³⁹ In addition, Brazil and the EU formally committed to a strategic partnership. Mercosur-EU negotiations, on their part, have been held up since 2004.

Even though the failure of initiating free trade areas between the Latin American and European regional blocs could be partially explained by the unintended conclusions of the Doha Round, changes to the strategy of foreign regional processes occurring on both sides of the Atlantic must not be sidelined in an attempt to offer a more complete explanation. On the one hand, since the launching of its Global Europe strategy in 2007, the EU has sought to maximize the benefits of its economic agents from a realist

³⁵ Christian Freres, *op.cit*; Luis Xavier Grisanti, *op.cit*; Molano-Cruz, *op.cit*, 2007a, 2007b; Christian Freres, Susan Gratiús, Tomas Mallo, Ana Pellicer, José Antonio Sanahuja, *op.cit*; Lorena Ruano, *op.cit*; Amalia Stuhldreher, *op.cit*.

³⁶ Katharina Meissner, *op.cit*; Giovanni Molano-Cruz, "La integración andina: origen, transformaciones y estructuras", *Revista Integración y Comercio*, Año 15, No. 33, julio-diciembre de 2012, pp. 35-43.

³⁷ Here it is noteworthy that in 2002 the Asean and China signed a free trade agreement.

³⁸ María García, "The European Union and Latin America: 'Transformative power Europe' versus the realities of economic interests", *Cambridge Review of International Affairs*, Vol. 28, No. 4, 2015, pp. 621-640.

³⁹ Arantza Gómez-Arana, "The European Union and the Central American Common Market Sign an Association Agreement: Pragmatism versus values?", *European Foreign Affairs*, Vol. 20, No. 1, 2014, pp. 43-64.

perspective.⁴⁰ According to Brussels' argumentative strategy, bilateral negotiations looking to create free trade agreements are just as important as interregional negotiations in the race for access to markets. On the other hand, the recent far-reaching mutations in Latin America are, to some degree, the result of competition for regional cooperation and integration. Moreover, in the early 2000s, the alleged "left turn" generated other Latin American organisms for regional cooperation –the Bolivarian Alliance for the Peoples of Our America (ALBA), the Union of South American Nations (UNASUR), the CELAC, and the Pacific Alliance– in addition to the ones previously mentioned.

ALBA, UNASUR, and CELAC, without a doubt, converge in their claim of maintaining an autonomous position before the US. Even so, the whole of Latin American regional blocs has been influenced by European and American inclination towards bilateralism.⁴¹ External factors and the reconfiguration of the processes within Latin American regionalism have shaped the economic, commercial and political interests of their member countries and negatively influenced the creation of interregional free trade zones with the EU. Furthermore, financial and economic relations with China are increasingly becoming more significant and strategic for Latin America.⁴² Nevertheless, both under the spotlight of the 'Atlantic world', as well as under a global perspective, the challenges of the so-called Euro-Latin American strategic partnership are tied to the creation of a Trans-Pacific Partnership (TPP) for free trade between the US and 11 Pacific countries,⁴³ on the one hand; and on the other, the Transatlantic Treaty on Trade and Investment (TTIP) between the EU and US.

The Euro-Latin American partnership vis-à-vis the TPP and TTIP

Statements and actions undertaken by the biggest global economic players in order to create new transregional agreements on cooperation and economic integration are extremely significant for the direction and the rhythms of global politics and economics. The TPP and TTIP are, in effect, two transregional configurations that differ from trade agreements, for four reasons. The first is the economic weight of its participants. The

⁴⁰ Comisión Europea, *Una Europa Global: competir en el mundo*, Recuperado el 31 de octubre de 2015 de <http://eur-lex.europa.eu/legal-content/ES/TXT/?uri=URISERV%3Ar11022>

⁴¹ Sebastian Santander, "Competing Latin American Regionalism in a changing world", en Mario Telò, *European Union and New Regionalism*, London, Ashgate, 2014, pp. 187-200.

⁴² The first Summit between the CELAC and China took place on the 8th and 9th of January, 2001. Three years after, at the CEPALC headquarters in Santiago de Chile, the Chinese Prime Minister Wen Jiabao proposed a forum for high level cooperation with the Latin American region.

⁴³ Australia, Canada, Japan, Malaysia, México, Peru, Vietnam, Chile, Brunei, Singapore, New Zealand.

second is related to economic integration and vast regional geopolitical spaces. Third, the United States' would undergo a global repositioning—both political and economic. And fourth, because negotiation agendas and the implementation of these transregional agreements contain issues not addressed by the WTO's agreements or other trade agreements. In this context, the new Trans-Atlantic and Trans-Pacific agreements pose challenges for regional groups in Europe and Latin America, This is the case even though they do not affect the relevance of the strategic partnership CELAC-UE. Rather, they strengthen it.

The new transregional agreements are suitable for reshaping regulation of the global system of trade, finance and investment. Its implementation involves two different yet key dynamic elements of the global political economy. First, a complete integration through a significant liberalization of customs duties and through cuts in non-tariff barriers. Second, a formulation of norms relating to services, recruitment and public markets, rules for investment, movement of people, use of data, electronic commerce, competition policy and intellectual property. US advocacy of transregional agreements, both in the Atlantic as well as in the Pacific, is indeed more geostrategic and geopolitical than economic.⁴⁴ It is not concerned with the consolidation of a global power but the hunt to reposition the country,⁴⁵ and its economic players, within the reality of a global political economy that escapes their control, by shifting the centre to the Pacific. Likewise, parallel to these transregional agreements (the TPP and the TTIP), is another transregional agreement: the Regional Comprehensive Economic Partnership, whose ongoing negotiation, mobilized by China, involves Australia, India, Japan, the Republic of Korea, New Zealand, and ten other constituent countries of the ASEAN.

With respect to matters of rules and regulations, the regional convergence of the major economies on the planet reveals, unquestioningly, a (re)structuring of global economic governance prone to affect the rest of the world. But this process of monumental Regional Integration Agreements overlaps another, where the stress is on bilateralism. From the perspective of the strategic partnership between the EU and Latin America, the bilateral track holds sway for the EU. Despite having signed a free trade agreement with Canada in 2015, in reality, the EU has been negotiating a similar agreement with Japan since 2013. This is a trend that has also been noticeable on the Latin American side. Concerning the new Trans-Atlantic treaty, Latin American countries that have signed free trade agreements with the US have also reached equivalent agreements with the EU. They include Colombia, Chile, Mexico, and Peru. Similarly, all Central American countries, including Panama, have free trade agreements with the US and the EU. Meanwhile, the

⁴⁴ Heribert Dieter, *op.cit.*

⁴⁵ Mario Turzi, *op.cit.*

five members of Mercosur, in addition to Bolivia, and Ecuador have no such agreements with the EU or the US. Participating in the Trans-Pacific Partnership are three of the four members of a Latin American regional organization, the Pacific Alliance, namely, Chile, Mexico and Peru. Given the TTP and TTIP, Latin American countries that have agreements with the US and the EU are now facing greater competition within these new integrated markets. Meanwhile, other countries could experience a diversion of traditional exports.⁴⁶

In the end, although ongoing transregional partnerships highlight the scope and impact of transactions between spaces concentrated on global production —North America, Europe and Asia— these partnerships also give rise to new strategies and dynamics for negotiation. For example, Colombia, a Pacific Alliance member, and Costa Rica, an observer country and candidate for Pacific Alliance membership, have expressed interest in joining the Trans-Pacific Partnership.⁴⁷ Meanwhile, Mexico has expressed its intention to integrate the Trans-Atlantic treaty between the US and the EU. However, while the TTP and the TTIP have adverse effects in Latin America when it comes to common foreign action of regional groups, in Europe they also affect the EU's political policies. The latter are not only conceived and successfully project the idea of a harmonious world of regions but also promote European integration as *the* model par excellence of integration all over the world. Additionally, movements towards commercial bilateralism from the European and Latin American regional groups do not necessarily signify an abandonment of interregionalism.

Although the transregional agreements in the Pacific and the Atlantic are closed in principle to new members, Mexico's interest in participating in the US-EU Trans-Atlantic partnership paves the way for a *de facto* union between NAFTA and the EU. Similarly, if Colombia does enter the TTP, the Pacific Alliance will be integrated *de facto* into the Trans-Pacific Partnership; and indeed, will gain political influence, in relative detriment of other Latin American regional blocs, particularly Mercosur. Nevertheless, the integration process in the Southern Cone could also be strengthened. Given the harmful impacts of the EU-US Trans-Atlantic partnership on a range of agricultural exports pertaining to Mercosur, a real momentum towards unlocking the Mercosur-EU negotiations could come from Latin America.⁴⁸ Notwithstanding, the Euro-Latin American strategic partnership,

⁴⁶ Oswaldo Rosales, Sebastián Herreros, Alicia Frohmann, Tania García-Millán Tania, Las negociaciones megarregionales: hacia una nueva gobernanza del comercio mundial, Serie Comercio Internacional, No. 121, Santiago de Chile, Cepal, 2013.

⁴⁷ South Korea, Taiwan and the Philippines have also expressed interest in submitting candidacy for membership in the TPP.

⁴⁸ Carlos Malamud, « The TTIP Negotiations and their impact on the EU-Mercosur Accord », en Joaquín Roy, Roberto Dominguez, *op.cit.*, pp. 173-184.

designed in 1999 with the goal of addressing US influence in the Atlantic, maintains all its relevance and desirability. This was written in one of the formal declarations given by the Summit of Heads of State and Government of the CELAC and the EU, held in Brussels in June 2015. In the Declaration of Brussels, signed by Heads of States from Europe, Latin America, and the Caribbean, the US is singled out, though not explicitly, for its coercive actions against Venezuela, the economic, commercial and financial embargo on Cuba, the extraterritorial provisions, and the use of information technologies for espionage purposes.

Conclusion

Facing the Trans-Pacific Partnership and the Trans-Atlantic Treaty on Trade and Investment, the relevance of interregionalism with respect to policy has expanded and intensified. Even if within these agreements all the participants have something to gain from economic competition, the US still gains somewhat more. This country is making inroads through negotiations on two fronts concomitantly. These two fronts together make up the principal changes in the rules of global markets. In other words, the US is repositioning its influence in the Atlantic *and* in the Pacific. Thus, a scenario comes to the fore whereby the direction of the CELAC-EU is no longer confined to the Atlantic world but involves the whole world-space. Now that the CELAC is the first organism to join all thirty three countries from the region, this situation presents us all at once with a challenge and an opportunity for strengthening the CELAC in Latin America and the Caribbean —through their links and institutional spaces with the EU.