Gobernabilidad para el Desarrollo: The EU and Latin America

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Introduction

The world has changed quite drastically since the first EU/Latin America Summit, in Rio in 1999. The economy of China is 50 percent larger now that it was then (while per capita income, unemployment and inequality remain roughly unchanged both within Europe and within Latin America). The dollar price of oil has risen fivefold, and the energy dependence of Europe (on Russian natural gas) and of the USA (on OPEC, including Venezuela) has been reinforced. The World Trade Organisation (WTO) and the Free Trade Area of the Americas (FTAA) have been transformed from shining hopes to precarious fig leaves, no longer loved by their sponsors and visibly loathed by growing international coalitions of vocal critics. The façade of "liberal internationalism" associated with the Clinton administration has been supplanted by the militarism and unilateralism of the Bush administration's "war on terror." The Islamic radicalism first nurtured in Afghanistan (as a weapon to destroy the USSR) has injected a veneer of veracity into Huntington's geopolitical nightmare of the "clash of civilizations;" and Europeans have discovered that they too are in the firing line, so that their commitment to tolerance, dialogue, and international legality – the key rhetorical elements it espouses to distinguish itself as a unique civil power in the international arena – is being severely tested. So far, Latin America has been able for the most part to stand aside from most of the dilemmas created by this Manichean global conflict since – despite Washington's efforts to associate Cuba with biological warfare, or to unearth al-Qaeda support networks in Ciudad del Este, Paraguay – Islamic fundamentalism has no support base in the western hemisphere. What does have growing support, however, is a sense of alienation from the Bush agenda, which is widely seen as an excuse for neglecting Latin American popular aspirations, and for reinterpreting the sub-continent's longstanding socio-economic problems from the narrowest of security viewpoints. Unquestionably there are severe problems of organised crime, citizen insecurity, and even terrorism scattered across the region, but these have non-religious domestic roots. They will proliferate wherever drug trafficking, extortion, people smuggling, and maras continue to flourish.

Making the Summit Work: Context and Prospects

Latin America came to the first summit in 1999, with a previously agreed agenda. But there was no such concerted regional position ahead of the May 2002 Madrid summit or the May 2004 Guadalajara summit, so the initiative was left with the European Commission despite its other tasks.

None of these adverse tendencies have been ameliorated since the last bi-regional summit, in Guadalajara in May 2004. On the contrary, the 2005 enlargement of the EU has precipitated Huntingtonian symptoms of anti-Islamic (and anti Turkish) popular sentiment within the EU; where the protection of the Common Agricultural Policy (CAP) has taken priority ahead of all claims in favour of multilateral institution-building. The WTO Doha Round and the Nice Treaty as well have been rebuffed by Europe, leaving scant margin for creativity over bi-regional agendas.

Similarly, from the Latin American side, the Mercosur allowed the Prodi Commission to expire without an agreement after five years

of laborious preparatory work, and Durão Barroso is in no position to improve on his predecessor's best offer especially now that there are 25 members of the EU to placate.1 For that matter Mercosur has also changed – adding the Venezuelans of Hugo Chávez may increase its coverage, but will challenge its political identity, and will hardly contribute to its coherence as a bi-regional negotiating partner. And enlargement to Bolivia and Chile will bring with it other kinds of challenges; as regards Chile there is the difficulty of harmonising a common exernal tariff when Chilean foreign trade is much more liberalised thn that of other member countries; and with Bolivia. Meanwhile Argentine prepays its debt to the IMF while remaining resolutely in default to its private European bondholders, while Brazil and Mexico await next year's presidential elections before defining the next stage of their respective encounters with regionalisation and globalization. This is the unpromising backdrop to the fourth (May 2006) bi-regional summit. So what (if anything) is worth proposing there?

There can be no merit in gathering together so many busy heads of state and foreign ministers for an event that merely goes through the motions. Too many urgent challenges demand the attention of these dignitaries fro them to be needlessly distracted by another pro forma routine. If that is the path chosen by the organisers then the whole bi-regional approach is destined for the scrap heap. But a case can still be made for another high level gathering, if it faces up squarely to the lessons of this experiment so far, and promotes honest and open discussion of the divergences that would need to be bridged in order to put bi-regionalism back on track. The past seven years provide a rich stock of evidence against which to test the initial rhetoric. A realistic reappraisal in the light of adverse experience can provide a more robust foundation for subsequent efforts, if the underlying rationale for co-operation remains secure. If not, a frank acknowledgement of where the misconceptions lay would increase the likelihood of an amicable separation.

So let us revisit the underlying rationale for this project. There are at least four distinct perspectives that need to be reconciled here. The basic EU interest,2 and the global Latin American rationale are of course distinct, and both require equal consideration. On each side there are quite specific "pragmatic" and "realist" components shaping the summit agendas and commitments and steering their implementation. This is worth distinguishing from the "idealist" or "voluntarist" elements of justification for the enterprise as a whole over the longer run. But while these four distinct perspectives can be separated for analytical purposes, (and each could, of course, be further disaggregated) they all contribute to a single project, and therefore require joint consideration.

The European Incentive

For European realists the central concern has been to find suitable counterparts for the EU to articulate its priorities as an emerging "civil" superpower in the global arena. Bi-regional links with Latin America appear to serve this objective, in that they involve long-term and multi-dimensional programmes of mutual recognition and exchange with a fairly like-minded large region of the world where neither European security nor European commercial entanglements are unduly constraining. But from a realist perspective it is the EU alliance with the USA that really counts: any flirtation with Latin America can only

[1] Despite this some observers have concluded that "the new Commission, which began its service in November 2004 […] seems [….] to be more likely to attach greater importance than the previous Commission to collaboration with Latin America". Leda Rouquayrol Guillemette and Santiago Herrero Villa, *Guide on Co-operation EU-Latin America* (Le Havre: CEFICALE, 2005, p. 80.) (This publication is the sole responsibility of the authors, although it was produced with EU assistance and carries a foreword by the Director for Latin America of the Commission's Co-operative Office).

[2] For the purposes of this paper the "European Union" refers to the activities of the European Community together with those of the national member states (15 prior to May 2004, 25 since).

progress to the extent that Washington reacts with indulgence: the price of violating Monroeist susceptibilities can never be paid. Within this framework institutional connections and dialogue can be developed as expressions of a desired European "model" of international co-operation, at low cost and with some modest practical payoffs (e.g. in international organisations or over issues such as the environment or human rights). In addition certain specific groups within the EU have more precise and highly concentrated interests in Latin America (Spanish banks, Portuguese telecoms, French water companies, transnational NFG networks, for instance) There is an evident elision between these low key and partly discursive "realist" motivations fro bi-regionalism and the "idealistic" (or rhetorical) dimension of the EU interest. As a civil power the EU would aim to pursue its goals by persuasion rather then imposition. In the absence of overriding economic or security imperatives there would be considerable leeway for discursive appeals to relatively unspecific and putatively shared "norms" and values. Both these goals and the associated procedures would tend to be presented as "ends-in-themselves" – as expressions of European self-identity and aspirations for global governance – rather than as "realist" instruments of power or wealth maximisation. What Brussels may seek to maximise through bi-regional dialogue is neither wealth nor power, but the availability of regional integration counterparts in other parts of the world, to reflect back EU institutional achievements. In summary, from an EU perspective bi-regional ties with Latin America would seem to offer a low cost, low payoff source of self-expression.

The Latin American Perspective

From a Latin American perspective the rationale for this variant of bi-regionalism is slightly different whereas a single European institution – the Commission – tries to generate a unified and stable rationale for its commitments, the Latin American side is more fragmented and subject to competing and shifting interpretations of the collective interest. That said, on the realist side of the balance sheet the EU can be valued as a counterweight to the hegemonism and unilateralism of a US-led Pan-American order. When pressures from Washington become too insistent and constraining it can be useful to turn to an alternative variant of modern, liberal endorsement, not anti-American, but independent from the precise commitments required by the "gringos." There are always some vocal Latin American actors urging the EU to dissent from US priorities or even to challenge Washington in its "backyard." But Latin America's collective willingness to defy US leadership should not be overstated, even in the current conjuncture. The institutional, economic, and even psychological ties of dependency on the regional hegemon (and the world's only superpower) are deeply embedded, and episodic frictions usually express little more than temporary disagreements with particular Washington policies or personalities. As often as not Latin American protests against the US reflect disappointment at being marginalised, rather than a firm decision to turn elsewhere. Thus, just as the EU reins back its bi-regional commitments to stay within the limits of what is tolerable to Washington, so also Latin America's outreach to Europe is similarly conditioned, especially when regional leaders detect that behind the reassuring rhetoric most European leaders rank their region's needs and interests still lower in their hierarchy of priorities than do the North Americans.

Both Europe and Latin America confront the same central difficulty: their international priorities and the common values they assert are not at present highly valued by their most powerful partner, the USA. The Vienna Summit can hardly avoid acknowledging this evident reality, but it will not be productive to divert too much attention from the search for bi-regional common ground to what is bound to be a divisive debate over Washington's current mood of unilateralism. The most appropriate stance will be to concentrate on those principles and concretely achievable joint initiatives that highlight the potential for collaboration between these two large

and democratically governed regimes, and that promote the virtues of multilateralism. There are still many currents of opinion, not only within US civil society, but also inside the Washington beltway, that can be energised by such a demonstration of effective international collaboration. At a realist level Latin Americans frequently encounter European rigidity over certain apparently limited or sectoral issues (banana imports, farm subsidies, visa requirements), an inflexibility that outweighs the alluring rhetoric of bi-regional summit communiqués. Even so, the idealistic promise of this institutional dialogue should not be entirely discounted. After all, much of Latin America's political life revolves around declaratory aspirations rather than enforceable obligations. In this tradition verbal commitments create expectations and legitimate claims, but they do not guarantee delivery. Hence the divorce between realism and rhetoric can be overdone. When Latin Americas look at the European Union they see a process that – half a century later – has delivered powerful cumulative results. Many would like to see themselves at a much earlier stage in what they hope could prove a similarly empowering trajectory. Bi-regional partnership with Europe might "lock in" such a dynamic, particularly if it can be institutionalised as a long-term permanent arrangement. Coming from a recent past often characterized by nationalist rivalries, authoritarian personalism, lack of democracy, poor human rights performance, and weak property rights, open regionalism and bi-regional co-operation with Europe seem to offer heightened defences against regression on all these fronts. The "idealistic" rationale for these Summits is not that they can guarantee fulfilment of all their promises, but rather that they offer some reassurance that progress remains possible, and that Latin America's leaders can still be collectively prodded to move forward in the directions desired by so many of their followers.

In summary, then, the Latin American rationale for a bi-regional relationship with Europe is broadly similar to the European counterpart, but is based on somewhat different assumptions, both about the centrality of the sub-continent and the rigidity of the obligations involved. The stress on shared values works well (although mainly in the political, rather than the economic, realm)[3] but Europe's inflexibility over narrow and specific policy commitments can cause serious offence.

The Underlying Rationale: Gobernabilidad para el Desarrollo

Taking these four analytically distinct perspectives in conjunction, it is possible to discern an underlying rationale for EU-Latin American bi-regional co-operation that could be durable enough to persist despite the desencantos of the past seven years. The Vienna summit is not bound to prove the last milestone on a fake trail. But to chart a further advance will require reassessment of the lie of the land, and of the purposes of the joint excursion.

Our prime concern is with "gobernabilidad para el desarrollo," seen as the central priority for overcoming misery and injustice in Latin America, but also as a global challenge (and indeed a test for the enlarged EU, both internally[4] and through its global presence). This is not the only priority for international policy-makers. There are other concerns such as nuclear proliferation, ethnic confrontation, energy dependence and indeed the retreat of the polar ice caps that may compete with our priority for international attention and remedial action.

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[3] "If political relations between the EU and Latin America are characterised by "bi-regionalism", this concept seems to disappear at the economic level of co-operation as a side-effect of the increasing diversification of interest profiles" Susanne Gratius and Mónica Rubiolo, "Biregionalism in a Globalising World: The Latin American View," in: Wolf Grabendorf and Reimund Seidelmann (eds) *Relations Between the European Union and Latin America: Biregionalism in a Changing Global System* (Baden-Baden: Nomos, 2005), p. 110.

[4] As recognised by Commissioner Patten, who, in a 2004 speech, stated that "fighting inequality and building more cohesive societies are overriding priorities not jut for Latin America, but for the EU as well." In 1999 15% population still lived on the edge of poverty and half of those were at persistent risk. The EU-25 now contains greatly increased problems of inequality and lack of social cohesion).

However, gobernabilidad para el desarrollo is a central and recurring problem for the international community, and a bi-regional initiative that made real progress on this issue in these two large regions would constitute a precious resource for the world as a whole. The nations of Latin America and the Caribbean provide a large and challenging test of what is currently possible for international co-operation to deliver in this regard. The test is a genuine one – both success and failure are genuinely within reach over the next generation. It is also a fair test – this is not a region where security goals take precedence and development is really sought for non-developmental reasons; it is not a cockpit of geopolitical or ideological conflict. The internal dynamics of constructive reform are already largely in place, so this is not a case where outside donors are required to intervene in a colonial manner and substitute for factors lacing on the domestic scene. It is a genuinely collaborative venture that is needed. So, if long-run bi-regional co-operation could help tilt the balance in favour of cumulative human development and the institutionalization of democratic freedoms in this region, this would provide a crucial demonstration of a much broader claim. It would make the bi-regional endeavour truly worth the effort. While that could provide the generation-long horizon required to give bi-regional co-operation its thrust and purpose, the more pressing question is what, concretely, can be proposed in the here and how – in Vienna next May – that could reorient EU-Latin America in the necessary direction?

Governability and development: Concepts and links

The five recommendations we made to the Third Summit of May 2004 remain just as valid as before:

1. The challenge of development is not primarily technical, but essentially political;
2. It involves a reform of Latin American institutions rebalancing the formal and informal elements;
3. The strengthening of democratic institutions needs to go hand in hand with the reinforcement of a socially inclusive market economy, (perhaps influenced by European models);
4. Democratic governability involves local and regional development, and decentralized forms of international co-operation
5. It also requires an effort to strengthen global governance and respect for international law.

But the answer requires some further reflection on "governability" and "development" as they relate to the current circumstances of one particular large region.

At the third annual conference of the Red Euro-Latino-Americana de Gobernabilidad para el Desarrollo, held in Hamburg in December 2005 the senior civil servant in the government of Germany responsible for relations between German and Latin American queried our use of the term gobernabilidad, and expressed his preference for the more standard term "governance." I have also heard British and Spanish senior officials take the view that what Latin America needs is simply the "good governance" (or perhaps even the "rational administration") that they suppose to be incarnated in the practice of their home states. That is not, however, the belief on which our Red is founded, and it would not provide on adequate basis for an enduring and respectful bi-regional political dialogue.

From our standpoint a traditional "good governance" agenda overemphasises the availability of pre-packaged technical solutions to the complex problems of socio-economic development that affect Latin America. No doubt sound administration and technical competence are both necessary and desirable, and the EU has a good track record of supporting these attributes where necessary in various parts of the developing world. But these prescriptions are far from sufficient to tackle Latin America's current mixture of formal and informal, economic and political, cultural and social, impediments to sustained development. It was not just some absence of technical competence or expert

advice that led to the Argentine default of 2001, or to the recent upheavals in Bolivia. Our profile of El Salvador identifies a deep-seated polarization between left and right as the essential source of instability in that country, and in Guatemala ethnic fears and rivalries play a similar role. Consequently we place "governability" rather than governance at the centre of our analysis. A straightforward way to clarify the contrast between these two concepts is to examine their negative poles. The alternative to good governance is bad governance, whereas the alternative to governability is ungovernability. The first couplet involves an account of the coherence, sustainability, effectiveness and accountability of the full array of a given government's policies programmes. By contrast the governability/ungovernability pole directs our attention to the fluidity and harmony (or otherwise) of the state/society interactions, paying as much attention to feedback from citizens and social actors as to the plans and initiatives of those in government. We therefore consider that adequate prescriptions must take into account the interactions between a range of forces – government agencies, certainly, but also political parties, academic and professional associations, civil society groupings, various private sector participants (notably including the media), and also (of course) the international aid agencies. These interaction processes need to be analysed in a holistic manner (something we attempt through our perfiles nacionales de gobernabilidad), and recommendations need to take into account the need for respectful dialogue between contending interests. Mutual respect and co-responsibility are the keys to governability, and are recognised as such in the strategic documents that underpin bi-regional co-operation.

Our approach to governability is linked to our conception of development. Economic growth, efficiency, and accountability, are unquestionably vital components of this broad objective. But development also involves socialization into an ethic of co-responsibility; it requires the nurturing of a sense of universal citizenship; and it cannot be secure if disconnected from popular conceptions of social justice and minimum entitlements. Fortunately there are also principles that have been endorsed by successive bi-regional summits, and to a considerable extent they reflect aspects of the "European social model", so our approach should be broadly congenial to the heads of state gathered at Vienna. (It is perhaps worth stressing that in the enlarged European Union, as well as in Latin America and the Caribbean, there is substantial work still to be done to translate this approach into socially legitimate results. So the Vienna Summit could provide the setting for a true dialogue of equals on this subject, rather than an arena for the EU to preach its virtues to the Latin Americas. Working from this general standpoint the main task at hand is to identify practical and timely measures that can be promoted to turn these aspirations into effective realities.

Current Relations and the Focus of Cooperation

Let us therefore review the current state of play in the bi-regional field, so that we can extract a select handful of topics where further initiatives could prove most fruitful. European Community co-operation spending amounts to around 500m euros per year, and the European Investment Bank is lending about 400m euros per year for public and private infrastructure, productive activities and environmental protection in the sub-continent. If we add in bilateral assistance from individual European countries European Union "aid" and soft loans to Latin America and the Caribbean may approach 2 billion euros per year, much of it targeted on a subset of the neediest republics (Nicaragua, Honduras, and Bolivia are the top three, and PRACC assistance to rebuild in the wake of Hurricane Mitch constitutes one of the most visible of recent initiatives). Other prominent activities include co-financing various aid initiatives together with a range of European NGO's; aid for some refugees and victims of torture and the eradication of anti-personnel mines; and various election observation missions (most recently to Venezuela at the end of 2005). The EU also

aims to support regional integration projects, and to support democratic governance initiatives, including programmes to promote improved functioning of global institutions such as the UN, the Kyoto Agreement, and the International Criminal Court.

According to Susanne Gratius and Mónica Rubiolo "The only concrete outcome (of the Third Summit in Guadalajara in May 2004) was the announcement (of an intention) to conclude the association agreement between the EU and Mercosur" by 2005 – an intention that was not, in the event, fulfilled. In addition the Commission presented a new horizontal co-operation program (EUROSOCIAL), but in reality they judge that "there is little convergence between European and Latin American interests with regard to social cohesion," Latin Americans would have liked.5 Within the EU social cohesion is understood primarily as a part of region-wide integration, whereas in Latin America it is the lack of cohesion within each national society that attracts the attention of policymakers. However, other observers paint a more upbeat picture of the present conjuncture, arguing for example that the enlargement of the EU to 25 members benefited Latin America because all association agreements previously signed by the EU 15 are automatically extended to a further 10 countries thus broadening the subcontinent's trading opportunities. They also celebrate ALBAN, ALFA, AL-Invest, and URB-AL, plus the decentralization of resources from Brussels to the Commission's delegations across Latin America, noting with approval the progress made in clarifying why "relatively large amounts of money earmarked for co-operation with the region was yet to be channelled into concrete programmes and projects."6

So where might further efforts be concentrated? Any productive dialogue will require some prior clarification of key concepts. The Vienna Summit could be provided with brief consensual statements about how the participants understand such central terms as "social cohesion", "development", "governance", "governability", and "rights and duties". The Summit organisers could also provide participants with a digest of recommendations drawn from various expert working groups. For example, we would endorse the following extracts from a recent EULARO Background working paper:

Strategic Partnership

First and foremost, both regions must reaffirm the strategic intentions of the bi-regional partnership. Both have a clear interest in strengthening an effective multilateral order that is based on commonly established universal rules. This will not be easy, as there is likely to be a lot less consensus about what the 'global aim' of the strategic partnership might be (liberal democracy and universal rights, or development and the right to employment, as stated at the Ibero-American Summit of October 2005 – the implications of emphasis on one or the other are significant). However, whatever the goals, it remains the case that Latin America can only stand to gain from a strong multilateral order in which rules apply equally to all states in the international system. And the EU integration project is suited above all to multilateral governance, and very ill adapted to power politics: indeed, a return to power politics would signal the end of the EU as it is today. Similarly, both do very badly when faced with unilateral action, particularly when practices by the US. Thus, the first point of a renewed EULAC agenda should be a reaffirmation of a strategic partnership based on a renewed commitment to multilateral governance and sovereignty sharing to address key 'global issues'. For this, they must turn what is ad hoc consultation and co-ordination in the UN into a systematic practise.

Co-operation

Co-operation should build on existing incipient mutual consultation processes, and focus on consensual and conceptually well-

5 Susanne Gratius and Mónica Rebiolo, op. cit., p.103.

6 Leda Rouquayrol Guillemette and Santiago Herrero Villa, op. cit. p. 41 and p. 79.

developed and clear areas, rather than exploring ill-defined and difficult issues. In short, it should be pragmatic and aim to begin concrete initiatives in the near term (the Initiative against Hunger exemplifies what is possible and the need to revise the Non-Proliferation Treaty (NPT) provides an interesting opportunity to test the potential scope for systematic consultation and co-operation). Finally, both regions might want to consider the possibility of taking the traditional debate about economic development out of the G77 framework, and make it part of a specifically Euro-Latin American co-operation agenda.

Trade Competitiveness and Social Cohesion

Both regions should establish a EULAC High Level Panel on Trade Competitiveness and Social Cohesion involving experts and leaders to forge a minimum common agenda and understanding of how to establish closer links between trade liberalization and developmental and social goals. The EU must take 'solidarity' beyond its HR&D and development co-operation programmes, and make room for it when designing trade strategies. This will be difficult: EU member states are facing great economic and social challenges, and so are unlikely to become more generous; and Latin American countries are increasingly wary of 'hidden protectionism' as they also face deep economic and social challenges. However, it is not possible to continue to demand labour and environmental conditions, and continue to refuse to liberalise trade in areas that are vital to the prosperity of Latin American countries. If this position does not change, there will be a price to pay. Latin American publics may lose faith in the power of multilateralism to empower them and address their social needs; and they may lose faith if a fairer trading system is not established. There are no simple causal links between democracy, peace and economic justice, and fair trade does not a prosperous and fair economic order make, but democracy has a better chance to survive and deepen if it is grounded in a sustainable and inclusive economic development model; and the latter is more likely to emerge if there is a fairer global trade system in place. The other side of the coin is that a tendency to often blame 'just' the trading system for social justice failures at home should be further mitigated, so that fairer trade rules should be conditional upon vital state reforms to ensure greater social justice. In this regard, a dialogue on taxation and social policies would be useful to work out where there may be room for a common agenda.

UN Disaster Relief

The EU and Latin America should reinforce international mechanisms for natural disaster relief. An EULAC agenda, developed within the framework of the UN, could have three main strategic axes, first, the reinforcement of the capacity of regional groups to deal with natural disasters, not just in terms of relief assistance, but particularly risk reduction and prevention. Regional integration groups should be encouraged to use their co-operation frameworks to facilitate mutual assistance in case of catastrophes; second, strengthening the coordinating role of the United Nations in disaster-struck regions, particularly the mobilisation of resources and the dispatch of resources to the field. In other words, the United Nations should be the privileged manager of global solidarity, third putting into practices the widely accepted principle that rapid assistance to disaster victims requires quickly available funds. At present funding for relief operations is arranged on a case-by-case basis and requires several funding decisions by donors, as well as fundraising efforts by various agencies. The EU is already the biggest contributor to the financing of UN disaster relief through ECHO, and so it could team up with Latin American to create EULAC Humanitarian Fund through the EULAC Summit Process, under UN General Secretary aegis. Donors would pay into this fund and humanitarian co-ordinators could draw financial resources at the early stages of a disaster.

As regards our own focus on governability for development this requires a particular focus on the areas of co-operation and

political dialogue. Co-operation is unlikely to increase substantially over the next few years, but there is scope for a more extended and balanced political dialogue.

Given the very tight budgeting constraints that the Commission will face until at least 2013, it is unrealistic to envisage large increases in EU spending on co-operation. There might, however, be additional resources from Europe that could be captured either through increased participation of the private sector, or through co-financing with NGO's or via national aid budgets (which are pledged to edge up from 0.4 percent of GDP to 0.7 percent). At any event, the subcontinent's claims on world aid flows ought to diminish if the promised progress is made in raising overall living standards and reducing extreme poverty.

Poverty Reduction

Rather than thinking in assistentialist terms, we would encourage the Summit to devote more attention to a frank dialogue on the politics of poverty reduction; and to focussing on two specific aspects of this broader process where European relations are particularly clearly involved:

- international migration and remittances;
- Containing various forms of internationally organised criminal activity (i.e. drug trafficking, money laundering, people trafficking, and arms smuggling).

As can be seen from our definitions of "governability" and "development", we consider that effective strategies of poverty reduction involve considerably more than the provision of a stable macro-economic environment; with economic openness and the protection of basic electoral and property rights. Argentina pursued this lopsided formula during the 1990s, with eventual consequences that require no further comment. China, during the same decade, adopted a very different mix of policies, with strikingly better results. These contrasting outcomes are widely remarked in contemporary Latin America, and while neither Asian "successes" nor African "failures" in the reduction of extreme poverty are directly transferable to the sub-continent the existence of alternative trajectories helps to fuel the present Latin American search for different and more effective routes to poverty reduction, demands that are at present far from being satisfied by any of the available models. (Even in Chile, despite its many remarkable successes, current levels of inequality and disempowerment of the poor are not encouraging).

To focus more explicitly on the politics of poverty reduction need not involve embracing a return to failed populist formulae from the region's past. But it does require some recognition of the inadequacies of the technical fixes that were prescribed by the international community in the 1990s. It implies a re-conceptualisation of "development as freedom", rather than just the maximisation of per capita income growth. It involves encouraging the poor to organise and to develop their own capacities for self-expression and the definition of their interests. It therefore requires the toleration of a significant level of social conflict. And it therefore brings into question the assumption that there is just one right path to prosperity and development, a route known in advance by external experts, and that should therefore not be blocked by troublesome political activism.

As indicated by work on Bolivia, Brazil, El Salvador, and elsewhere the experience of anti-poverty policies in Latin America demonstrates that there are multiple alternative possibilities, most of them contested and erratic. Durable strategies may well require extended periods of political mobilization and apprenticeship. This can bequeath lasting benefits in terms of popular self-organisation and the diffusion of responsibility for collective choices, even though it can also involve costs, as poor choices are made and errors have to be corrected. The alternative of suppressing lower class self-organisation in order to allow accelerated growth can prove to be both unstable and very costly to social

capital in the long run (e.g. Guatemala). It remains to be seen whether the European Union has the breadth of vision to accept this reality (which is not likely to gain much recognition in Washington any time soon).

One way to draw closer to these new currents of Latin American opinion without betraying Europe's own heritage of socially responsible market relations would be to elaborate on shared experiences of economic democracy, and the ways these might best be adapted to contemporary conditions of globalisation. Fortunately Latin America is sufficiently autonomous and democratic for some countries of the region to be able to pursue "heterodox" paths to poverty reduction even without strong external endorsement. But all Latin American innovators see themselves as "modernisers" and draw there inspiration and authority at least in part from their claimed familiarity with progressive ideas and practices in the "developed" world. Europe can provide sources of encouragement and guidance to leaders of indigenous movements (such as Rigoberta Menchú and Evo Morales) as well as to more conservative and elitist currents of opinion. So the EU should take advantage of its internal pluralism to lend support to democratically elected leaders of Latin America regardless of their ideology or social extraction. Of course the European Union should not aim to dictate policy on sensitive domestic issues, but it can use the bi-regional framework to exert a broadly supportive influence, helping to steer (and restrain) what is likely to prove a diverse series of contested experiments. Different European countries and organisations may become engaged in different cases, but EU-wide sharing and even co-ordinating of these experiences could be helpful.

International Migration

The EU is more directly involved in the other two policy arenas we are emphasising. As regards international migration the Vienna Summit offers an exceptional forum for the reassessment of this crucial topic within a bioregional framework, taking into account the EU's declared principles of co-responsibility, social cohesion, open regionalism, and the protection of human rights. Looking forward, rather than to adhering to traditional statism, a prosperous and growing Europe will require a rejuvenated labour force, whereas Latin America will for some time to come to produce a labour surplus (including many mobile and innovative young workers). The large numbers already present in Europe (especially in Spain, but also from the Commonwealth Caribbean in the UK, from Suriname in Holland, from Argentina in Italy, etc.) can be expected to increase rapidly over the coming decade, whether public policy is designed to receive them or not. Here is a critical area of mutual co-operation, of partially shared interest, but also with a potential for conflict and indeed cumulative estrangement, that should be addressed in a principled, open, and forward-looking manner by the heads of state at Vienna. It may require some significant adjustments of perspective on both sides, but of course that is what a productive dialogue is supposed to bring about. Regional integration, the overcoming of zero sum nationalistic perspectives on issues of economic exchange, creates diasporas of foreign workers whose rights as citizens and migrants need to be separately negotiated and enshrined. Of course this is a very sensitive topic, both within the two regions as well as between them. National competences must be respected, and undocumented workers cannot expect equal treatment with those who migrate legally. But if bi-regional summiting is to deal with the questions of rising importance to both sides (including family reunification, remittances, and overseas voting) and if Europe is to demonstrate its values as compared to the USA this is not a theme that can be neglected or swept under the carpet. It ought to be a prominent agenda item, and can best be addressed within the framework of "governability for development."

Transnational Organised Crime

For similar reasons the Vienna Summit should also reassess the bi-regional stance on the darker side of international migration: money laundering, people

trafficking, small arms trading, and of course the critical issue of criminality organised around the distribution of illegal narcotics. The last of these issues has already received significant attention under the bi-regional framework, and particular as regards the Andean countries and under the Panama and Barbados action plans to combat drugs and illicit arms trafficking. While "firmly committed" to combating the trade in cocaine and heroin the EU has tried to adopt a consultative and co-operative stance, somewhat differentiating itself from the US emphasis on military measures (as in "Plan Colombia"). But this has been a difference of emphasis rather than an alternative philosophy, so far, at least, there has been no inclination to take seriously RECAL's recommendation to the Madrid Summit of 2002 (la legalización paulatina de las drogas, come parte de un acuerdo multilateral, podría ser la formula más efectiva….").[7] It is easier to call for a reassessment of policy than to identify what the correct future strategy should be. But this is not a static situation. There is a strong dynamic of change here, and the heads of state government may need to reflect as a matter of urgency on the evidence that 25 years after President Reagan launched his "war on drugs" victory and a conclusion to hostilities remains as distant as ever (Is there a lesson here for the war on terror?) Instead Colombia continues to experience protracted armed conflict, the DEA has just discontinued its programme of co-operation with Venezuela, and the new democratically elected President of Bolivia (who will no doubt want to attend the Vienna Summit) included the legalization of coca leaf cultivation as one of his key electoral pledges. He is liable to ask why his peasant constituents are treated so much more harshly by the international community than North Carolina's tobacco farmers. Meanwhile, western armies have occupied Afghanistan and Haiti, leaving in their wake a mosaic of warlords whose main sources of livelihood consist of increased exports or transhipment of illegal narcotics, arms, and undocumented workers. (In the case of Afghanistan it should be recalled that the Taliban regime, for all its horrors, was quite effective at suppressing poppy cultivation. In the case of Haiti, Brazil and Chile are playing a direct military role, and have therefore assumed a degree of international responsibility for the resulting criminal activities). As far the EU, it would be timely to undertake an objective assessment of just how much progress is being made through pursuit of the current policy mix. A forward-looking assessment would explore the range of alternative options available for curbing transnational crime within the framework of the bioregional strategic alliance. The best test of the Summit's declaratory norms is how they are converted into effective and realistic policies when confronted by such series challenges. Success in addressing these issues at the Euro-Latin American level would provide a platform for further advances at the (more difficult) global level. The articulation of a co-operative framework produced through open dialogue, and informed by our governability for development perspective, could provide the Vienna Summit with a memorable achievement.

Vienna Summit Manifesto, May, 2006

[7] *La Red de Co-operacion Euro-Latinoamericana (RECAL) Escenarios Andinos y Politícas de la Unión Europea* (Madrid: AIETI, September 2001), p. 24.