Multilateralism and Bi-regional Partnership Between the European Union and Latin America and the Caribbean

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EXECUTIVE SUMMARY

CHALLENGES AND OPPORTUNITIES OF THE RELATIONSHIP IN THE CURRENT CONTEXT

Within the framework of the European Union (EU) -Latin America and the Caribbean (LAC) bi-regional partnership and by virtue of the recent joint communiqué issued by both blocs, this paper analyses the challenges and opportunities of the relationship in the current context marked by the COVID-19 crisis. We analyse the policy alternatives and opportunities of the partnership in terms of economic and trade relations, international development cooperation, the demands of LAC for debt relief, the crossroads of Middle-Income Countries and the alternatives articulated from both regions to move towards a multidimensional understanding of development. We also offer recommendations to achieve –thanks to the bi-regional partnership– a greater role for LAC in the agendas of world governance and global public goods based on a renewed multilateralism. We conclude with the identification of strategies and proposals to better channel the LAC agenda for development at the bi-regional level.

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INTRODUCTION

MULTILATERALISM AND BI-REGIONAL ASSOCIATION

On 14 December 2020, the Foreign Ministers of EU and LAC issued a joint communiqué emphasising the "long-standing partnership, based on common interests and shared values" between the two regions (EEAS, 2020). When thinking about the bi-regional relationship, the shared terms, values, principles and interests integrate a discourse of deep political, cultural and historical vocation.

This joint communiqué has great symbolic value for relations between the two blocs. Firstly, it recovers a pending task: the possibility of organising an EU-Community of Latin American and Caribbean States (CELAC) Bi-regional Summit in 2021 (EuroLat, 2020), to promote the dialogue between Heads of State and Government that has been suspended since 2015. Secondly, it shows the complexity of the exchange and cooperation agendas, which are not limited to the receipt of Official Development Assistance or trade exchange and include terms that are of the utmost importance for LAC, such as overcoming structural gaps, inequalities and social exclusion that have increased with the COVID-19 pandemic. The communiqué also highlights the importance of green and digital partnerships and emphasises innovation through numerous green programmes and funds such as EUROCLIMA+, LAGREEN and AL-INVEST Verde; space cooperation to address environmental challenges and achieve greater connectivity, under the EU Space Programme (Copernicus, Galileo and EGNOS); and support for the Joint Initiative on Research and Innovation (JIRI), among others.

The theme of sustainable development and climate change features prominently in this communiqué. In a context in which the signing of the EU-Mercosur Agreement has been postponed, it would seem that the EU is seeking to channel its relations with LAC in other ways. The Paris Agreement, the Katowice package, the Global Climate Action Agenda and the European Green Pact mark an agenda led by the EU and the regulatory materialisation of its environmental turn.

THIS POLICY BRIEF IDENTIFIES THE CHALLENGES AND OPPORTUNITIES FOR STRENGTHENING MULTILATERALISM AND BI-REGIONAL PARTNERSHIP IN THE AREAS THAT HAVE HISTORICALLY STRUCTURED THE TIES BETWEEN THE TWO REGIONS: ECONOMY AND TRADE, DEVELOPMENT COOPERATION, CLIMATE CHANGE, SUSTAINABLE DEVELOPMENT GOALS (SDGS) AND POLITICAL DIALOGUE AGENDAS, ALL FRAMED WITHIN THE DEMOCRATIC VALUES SHARED BY BOTH REGIONS.

TOWARDS RENEWED COOPERATION AND MORE STRATEGIC AUTONOMY:

OPPORTUNITIES IN THE BI-REGIONAL PARTNERSHIP

The crisis caused by COVID-19 has opened –in addition to a period of multiple difficulties– an opportunity to move from a relationship based on variable geometries, that is, an interlocution mainly with sub-regional forums and organisations according to the different objectives and agendas that have characterised EU-LAC relations in recent years, to a scenario of global strategic partnership. The effects of the pandemic have shown the failures of all the systems and today, taking some distance, we can begin to see them as the relevant juncture to reform the characteristics of the relations between the two blocs.

In recent years the EU has maintained dialogue with the Central American Integration System (SICA), MERCOSUR and the Andean Community. At the bilateral level, cooperation and association agreements have been consolidated with Cuba (2016), Chile (2002), Colombia, Peru and Ecuador (2012), Panama and Mexico (2000).[2] Some of these agreements, in their current negotiation processes to renew and modernise them (Mexico and Chile), advance more expeditiously on market access, trade facilitation, government procurement and good regulatory practices; while it tends to be more difficult to achieve common positions in the areas of sustainable development, energy and subsidies (EC, 2018). In turn, for the EU, the materialisation of binding mechanisms that guarantee the protection of human and labour rights in the context of trade agreements with LAC is a pending task[3]. In the framework of the EU's relations with the countries of the Africa-Caribbean and Pacific (ACP) group, there is also an EU-Cariforum Economic Partnership Agreement (EPA) (2008), and the framework of the post-Cotonou agreement, negotiated in April 2021, is due to be updated.

Already in the 1980s, Grabendorff (1986) noted that the European policy of approximation to LAC, which distinguished between countries and subregions, was often criticised by LAC, without the region having succeeded in presenting itself as a unitary actor. Even today, the existence of this multiplicity of spaces is to a large extent an expression of the unfinished process of regional integration in LAC, especially after CELAC, an instance of concertation and coordination created in 2010, entered, in the second half of the last decade, into a deep impasse. Consequently, the weight of concertation rests on the political will of the elites, the presence or absence of democratic stability in the region, political-ideological divergences and the individual actions of governments and their strategies for international insertion.

When Mexico assumed the pro tempore presidency of CELAC in 2020, it seemed to be the only actor in a position to take on this challenge in a context characterised by the disappearance of UNASUR and the regional division between the opposing visions of the multiple groups that make up the LAC regional space. The CELAC Work Plan for 2020 focused on concrete objectives of international cooperation in the context of the COVID-19 pandemic, trying to overcome the political differences of its members. The fluctuation towards a more technical work logic constitutes a functional response in a period marked by the Brazilian government's decision to leave CELAC and the electoral protests in some of the bloc's member countries.

The relationship with the EU – strongly based on the political dialogue component – is undoubtedly affected by a functionalist strategy[4], given the impossibility of bringing together the Heads of State and Government of the LAC region at the dialogue table due to the deep divergences on issues such as the crisis in Venezuela. This political fracture between some CELAC members and the European bloc favours the relationship with China, in which an economic and

2. The network of association agreements includes 31 of the 33 countries that make up CELAC. Only Venezuela –suspended from Mercosur– and Bolivia –in the process of joining that group– do not have signed agreements with the EU.

3. These are the cases of the EU-Colombia and EU-Peru Trade Agreement (European Parliament, 2018).

4. A functionalist strategy seeks to separate the political from the technical in order to achieve cooperation on sectoral issues that does not require direct dialogue between national governments (Saltalamacchia, 2020).

investment model weighs more heavily than political dialogue (Saltalamacchia, 2020). The Joint Action Plan for Cooperation in Priority Areas CELAC-China (2019-2021) is an example of this pragmatism in LAC's relationship with China.

MERCOSUR is one of the organisations that today could conclude agreements with the EU. In its 30 years of foundation, this bloc has shown adaptation to the new regionalism and open regionalism and has offered, beyond trade guarantees, a space for peace and stability in the subregion (Sanahuja, 2021). The internal crisis that MERCOSUR is going through, mainly due to the political discrepancies between Brazil and Argentina in the context of a significant reduction in trade exchanges during 2019, took on an international echo and when the end of the trade negotiations between the EU and MERCOSUR and the prospect of an agreement was announced in the same year, a series of reticence began to emerge in relation to its environmental aspect.

For France, the agreement as it stands does not offer sufficient guarantees regarding the fight against imported deforestation, the fight against climate change and the respect of EU health and environmental standards (MEAE, 2021). This position has been joined by Belgium, the Netherlands, Austria and the European Parliament itself. Although there is a chapter dedicated to social and environmental protection standards and compliance with the Paris Agreement, non-compliance with these standards is not resolved through coercive means but through dispute settlement, which the European counterpart considers unreliable as a guarantee based on its future environmental commitment. Indeed, the possibility of including a clause on essential elements with environmental content in the EU-MERCOSUR Agreement would ensure that the European position is in line with the fight against climate change and in favour of sustainable development, objectives that structure the Treaty of the EU together with the values of promoting democracy and protecting human rights (Giles, 2021).

Moving forward in a joint and not unilateral manner would seem to be a difficult task given the current context of MERCOSUR: the unilateral dynamics that have discouraged productive ties with the consequent decrease in transnational links, the conformist positions regarding the distribution of global power balances and the dissonance of values regarding the importance of integration (Malacalza and Tokatlian, 2021). However, overcoming these constraints would allow LAC to make certain demands on the EU regarding support for a just environmental transition. In the EU-MERCOSUR Agreement as it currently stands, those who stand to benefit most from the gradual reduction of customs barriers are agribusiness and the import and transport sectors (Dilger and Nolte, 2020), while small farmers, the most precarious labour sectors and even the middle classes will continue to bear the burden of the consolidation of the system on their backs, trapped in a kind of industrial paradigm that has prevented them from achieving the much-desired development.

In the December 2020 EU-LAC joint communiqué, ministers recognise the importance of "taking action to enable low-carbon climate-resilient development". However, initiatives such as the Global Climate Change Alliance and the EUROCLIMA+ programme will not be sufficiently effective if they do not consider that LAC's primary economies will be profoundly destabilised by the ecological transition.

A post-carbon economy also brings environmental challenges and the transition process may have profound negative fiscal and social impacts if LAC is not able to clearly seal its priorities. According to the Inter-American Development Bank (2021), achieving zero net emissions requires transformations in all sectors of the economy, the design of long-term strategies consistent with the Paris Agreement, accompanied by a sustainable public policy decision-making process.

The Economic Commission for Latin America and the Caribbean (ECLAC) identifies the challenges of governance and policies for mining resources in LAC that also apply to environmental governance in the region due to the cross-cutting nature of environmental issues.

These challenges include:

1. Effective and democratic governance for sustainable natural resource management
2. Mitigating macroeconomic vulnerability to fluctuations in commodity prices and terms of trade with inter-temporal logic.
3. Increasing the progressivity of tax revenues, financing public investment and improving the quality and progressivity of public spending at the national and local levels.
4. Adding value, deepening local production chains and diversifying production and exports.
5. Sharing benefits with communities and guaranteeing economic, social, cultural and collective rights.
6. Protecting the environment, reducing socio-environmental impact and developing comprehensive policies for the sustainability of natural resources.
7. Boosting regional integration in the face of external tensions, protecting competitiveness and giving collective signals to Foreign Direct Investment, without lowering social and environmental standards (Bárcena, 2018, p. 43).

Certainly, a renewed cooperation is more than necessary to face the triple challenge facing the EU and LAC: the social, productive and ecological transition (European Commission, 2020) through the renewal of the social contract[5] from a justice perspective. For LAC, meeting this triple challenge is intrinsically associated with the new development traps: the productivity, social vulnerability, institutional and environmental traps (OECD, 2019).

The countries of the region share characteristics that place them at the negotiating table at practically the same level in terms of extractive pressures, power relations, new threats marked by territorial conflicts linked to the overlapping of protected and mining areas, illegal and informal mineral extractions, competition for the use of water and its pollution (Bárcena, 2018). The region must guide its own development path based on the diagnosis of structural gaps and the need for more sustainable production models. The bi-regional partnership should support the elaboration of better public policies involving fiscal, institutional and conflict management regulations to maximise the benefit of citizens and avoid the risk of reprimarisation. An investment in innovation for a green transition must take into account the construction of regulatory frameworks and this requires much more than multi-million dollar investments.

MIDDLE INCOME COUNTRIES (MICS)

Over the last ten years, the EU has consolidated its position as the leading provider of aid and cooperation in LAC[6]. Precisely under the premise of shared values that defines European soft power, it is worth asking what LAC's demands are in the bi-regional relationship.

These demands include the public debt situation and the expansion of fiscal space to access more resources. There is a strong asymmetry between the resources granted and their impact, which highlights the deep structural problems of the current system. Excluding China and India, MICs account for 96% of developing countries' public debt, with LAC as the most indebted region in the developing world. At the end of 2020, the debt represented 79.3% of GDP. This puts the medium- and long-term post-COVID recovery of LAC economies at risk, meaning that more inclusive solutions from international financial institutions are urgently needed in the current context. ECLAC has called for a new issue of special drawing rights, a reserve asset of the International Monetary Fund (IMF)

5. The social contract can be defined as the overall agreement, albeit intangible and implicit, that binds society together and coexists within a given set of formal and informal norms and institutions. In LAC, in order to face the current challenges, a social contract should be composed of two main dimensions. First, it must be the result of a cross-cutting agreement between socio-economic groups, territories and generations. Second, it should help to achieve (i) resilient and sustainable productive strategies that prioritise the creation of quality, green jobs and embrace digital transformation; (ii) more comprehensive and effective social protection systems; and (iii) a more sustainable development financing model that seeks to strengthen public debt management (Cabutto, Nieto-Parra, Vázquez-Zamora, 2021).

6. The EU has been the largest provider of development cooperation to its Latin American and Caribbean partners, with EUR 3.6 billion in grants for bilateral and regional programmes between 2014 and 2020 and more than EUR 1.2 billion in humanitarian aid in the last twenty years (European Commission, 2019, p. 1).

that does not generate additional debt and does not entail conditionalities, in order to guarantee sufficient liquidity for developing economies.

While individual debt renegotiation initiatives with the IMF and the Paris Club are valid and necessary, LAC as a region should play a more stable long-term geopolitical leadership role in a context of shifting cross-sectoral alliances, with multi-stakeholder approaches to negotiate better conditions vis-à-vis international financial institutions and distribute the funds received. Similarly, it is necessary to consolidate regional financial instruments to distribute these resources. The construction of a more consolidated trade, financial and public policy integration at the regional level is an urgent task for LAC.

As a MIC region, it could position itself as a leader of this group of countries at the global level to support a new financing agenda that would not only impact MICs, but also low-income countries, generating a so-called "hummingbird effect" (Canuto, Cavallari and Ribeiro dos Santos, 2020), which would serve as a practical ground for innovative approaches. The promotion of dialogue as an initiative coming from the region in multilateral fora is in itself an important step prior to the acquisition of certain competencies necessary to exercise effective leadership.

Another of the region's historical demands has been the strengthening of new and, not so new, spaces for financing and governance of cooperation outside the framework of the OECD's Development Assistance Committee (DAC), enhancing those where more horizontal relations are promoted, such as South-South cooperation (SEGIB, 2018). Partners from the developing world are familiar with their challenges and therefore well placed to propose solutions formulated from their own experiences. Although it must be acknowledged that the logic of horizontality may be a chimera, strengthening these cooperation spaces implies a different governance of aid, and here the EU's presence, through support for peer learning initiatives, recognition of the needs of partners and greater transparency between the needs and interests of donors, is essential.

MICs face development traps that go beyond financial problems. The social agenda in the region is a crucial challenge today, even more so after the impact of COVID-19. With 60% of the economy in the informal economy, the crisis has severely affected productive structures and the labour market: more than 2.7 million businesses have closed, and the number of unemployed people has reached 44.1 million (ECLAC, 2021). Confronting such traps requires better public policies and hence the relevance of including multiple multilateral actors to complete the symmetry of relations.

On 14 June 2021 the General Secretariat of the European Council issued an outcome document affirming the EU's commitment to establish international partnerships with MICs in accordance with the new European Consensus on Development. It recognises development as a multidimensional process, advocates a treatment of debt within the current international architecture and the option of financing through the mechanisms: Debt Service Suspension Initiative of the G20, the Paris Club and the Common Framework for Debt Restructuring. Of particular relevance is the call to "explore transitional approaches with partner countries and to reflect on ways to avoid a gap in programmes and new forms of international cooperation" (European Council, 2021, p. 4). The precision of the priorities in this text is an excellent example of the EU's normative capacity in its historical and renewed commitment to Latin America.

Although in the long-term EU budget 2021-2027 and recovery package, LAC does not appear as a priority target area for cooperation funds, the Neighbourhood, Development and International Cooperation Instrument (NDICI - Global Europe), which merges most of the geographic and thematic instruments that existed in the previous financial framework, has the potential to mobilise technical and financial resources for LAC. The NDICI's geographic envelopes include the European Fund for Sustainable Development Plus (EFSD+), with a sum amounting to 68 billion euros.

In the last fifteen years, programmes such as EUROsociAL have been added to the multilateral cooperation panorama, from a vision of support for governance, governability and government. In its third phase of implementation (2016-2021), EUROsociAL+ seeks to give continuity to its political mandate of supporting the processes of design, reform and implementation of public policies through the support of new priorities of government agendas and the promotion of the gender perspective in its actions. With 32 million overall to work in 19 LAC countries

(EUROsociAL+, 2021). The need for the LAC region to achieve a multidimensional and cross-cutting approach to address the challenges of the future through renewed cooperation and new partnerships has been translated in practice into the mobilisation of public expertise, peer-to-peer work and the promotion of policy change. This logic of cooperation tends to be more balanced as it moves from a notion of impact to one of complementarity between actions.

Bi-regional dialogues and experience in international cooperation should be used to gain greater influence on global governance, especially on issues that transcend national borders, such as cooperation on drugs and migration, where progress is more limited, or to address other issues such as gender-based violence and social protection and national care systems. The joint work for the welfare state as a pillar of democracy and development undoubtedly benefits from bi-regional dialogue.

DEVELOPMENT IN TRANSITION (DiT)

In 2018, ECLAC, the European Commission and the Organisation for Economic Co-operation and Development (OECD) approved during the thirty-seventh session of ECLAC the implementation of the EU Regional Instrument for DiT. Documents such as the one issued on 14 June by the EU give an account of some of the objectives of the development tool, including generating a "deeper understanding of the implications of the transition" (ECLAC, 2021), taking as a framework the 2030 Agenda for sustainable development and overcoming the structural challenges of economic development in LAC. This instrument makes it possible to innovate and experiment with other types of development indicators far removed from the traditional economic indicators. The DiT, beyond benefiting regions such as LAC, supports international efforts to promote global public goods. This should strengthen the region's position at the negotiating table when it comes to making decisions of international importance.

At least in the last 35 years, it seems that regional petitions are doomed to repetition ad nauseam. A reading of Grabendorff (1986, p. 131) reminds us that since the 1980s, LAC's expectations of Europe have not changed much. Stabilisation aid, especially for the development of representative democracy; in the economic sphere, Europe's stabilising role in the LAC economic crisis in terms of the application of greater trade liberalisation to facilitate the access of certain LAC products to European markets; the channelling of more development cooperation resources; and finally, achieving a moderating role for the Paris Club in terms of the debt situation. However, LAC today is a much more politically heterogeneous society, with a more diverse landscape of development policies and strategies for international insertion and, in terms of the bi-regional relationship, with many more inter-societal connections and institutionalisation of parliamentary dialogue (Bonilla, 2012). It is the task of both parties to ensure that the renewal of ties is based on pragmatic positions and not unattainable expectations, without renouncing complex models of relationship.

THE NARRATIVE OF DiT IMPLIES FACING THE GREAT LATIN AMERICAN CHALLENGES: SUSTAINABLE DEVELOPMENT, THE FIGHT AGAINST POVERTY, ENVIRONMENTAL PROTECTION, THE PROMOTION OF SOCIAL COHESION AND SECURITY, AMONG OTHERS.

RECOMMENDATIONS FOR GREATER LAC INFLUENCE ON THE EUROPEAN AGENDA

In the present complex scenario of global configuration, with multiple and interdependent actors, we are not in the presence of a new Cold War, but of a hegemonic dispute between the United States and China (Actis and Malacalza, 2021). In the current European discourse of strategic autonomy, its maintenance and viability will depend on the type of medium- and long-term relationship that Europe establishes with developing countries and with LAC in particular. This does not imply a change in the direction of relations, but rather the search for autonomous capacity in the sense of power and economic conditions for LAC.

The EU offers LAC comparative advantages vis-à-vis powers such as the United States and China, mainly in the three challenges addressed above -social, productive and ecological transition. In these areas, the agendas and interests between Europe and LAC tend to coincide discursively, although in practice there are still divergences. Thanks to the democratisation processes in LAC, there is common ground between the democracies of both regions and historical trajectories regarding the welfare state that constitute an important condition for the bi-regional partnership. In the face of the hegemonic dispute between the US and China, for the region Europe is a factor of diversification of its relations. Likewise, for the reform of multilateralism, Europe is politically constrained to build functional coalitions to reform the World Trade Organization (WTO) and to strengthen the agreements of the 2021 United Nations Climate Change Conference (COP26). So, in addition to the United States, LAC is a strong partner to support these efforts.

In turn, as already noted in the first decade of this century (Quenan and Santiso, 2007), relations between LAC and Europe, traditionally inserted in what was called the "Atlantic triangle", have since been placed in the context of a new triptych as a result of the emergence of the transpacific dimension increasingly associated with the growing systemic weight of China and, therefore, with the intensification of relations between this country and LAC. It is within the framework of the US/China/Europe triptych that relations between the latter and LAC should be strengthened and renewed.

In the face of the US-China rivalry, Tokatlian (2021) suggests that LAC should deploy a diplomacy of equidistance, positioning itself in an eclectic zone without being in political limbo. This position is not far removed from the regional functionalism that has governed the LAC integration space in recent years, but it assumes a greater weight as a bloc in order to maximize results "in a situation of disparity" (Tokatlian, 2021). Achieving this weight condition implies strengthening the spaces for collective regional action to better design collaboration in areas of strategic interest for LAC in the case of the relationship with the US and reducing dependence in the case of China. Acquiring relevance in the international system means overcoming the so-called "Latin American hollowing out" (González et al., 2021) as a consequence of the deliberate absence of collective action in LAC. This could lead to the loss of its status as an actor, relegating it to a mere geographical existence. This constitutes an important challenge and a warning for actors such as the EU due to the risk of regional irrelevance of LAC due, among other things, to the absence of minimum consensus on international projection and insertion.

Actis and Malacalza (2021), for their part, speak of a strategy of liquid autonomy that would imply non-alignment or neutrality in the face of the Washington-Beijing rivalry while promoting technical agendas based on common values and interests. LAC's margin of contestation and resistance is much smaller now, but it offers possibilities for developing a so-called niche diplomacy that concentrates the country's external efforts in areas where it has comparative advantages (Bywaters, Sepúlveda and Villar, 2021). This niche diplomacy adds to the idea of the entrepreneurial state developed by Cooper (2018) to refer to the ability to do diplomacy from an integrated approach at the domestic level and ad hoc coalition building.

These strategies would allow for an active role, rather than a reservoir of external demands, in those niches of national and regional strategic interest in which political leadership and influence on the international agenda can be exercised.

This niche diplomacy should be based on flexible linkage schemes with all actors (non-state, civil society, private sector). In the Council of Europe's outcome document on relations with MICs, it is stated that "collaboration with private sector actors and civil society representatives will be pursued in order to ensure ownership and alignment of mechanisms" (Council of Europe, 2021, p.3).

When the local is denied space, identity particularities are generated that force agents to (re)orient themselves in the new global scenario. The expression of the local can be done through open activism of transnational coalitions of civil society actors, interregional cooperation, NGOs, which does not guarantee the total absence of confrontation, but offers spaces where actors do not feel threatened and can (co)build thanks to mobilisation (Badie and Vidal, 2016). If the EU is to have geopolitical impact it must continue to articulate sustainable and inclusive development partnerships of this kind that permeate the territory. LAC democracies must reinvent themselves from the construction of the social and this supposes offering spaces for citizen consultation and better instances of participation to civil society, to the territory, to the local to influence the decisions that affect them.

The social discontent prior to the pandemic must open and renew institutional, democratic and social concertation spaces. In LAC, the crisis of political representation and governance puts democracy at risk. Blanchard and Pisani-Ferry's (2021) proposal on the three priority axes of post-COVID reconstruction makes sense here: reindustrialisation through innovation, investment in young people and state reform. All profoundly social axes and in tune with ECLAC's call to sign political and social pacts for equality and sustainable development in LAC. These pacts must be based on a democratic culture, respect for plurality and human rights, a gender perspective and the inclusion of all social groups in order to achieve greater social legitimacy.

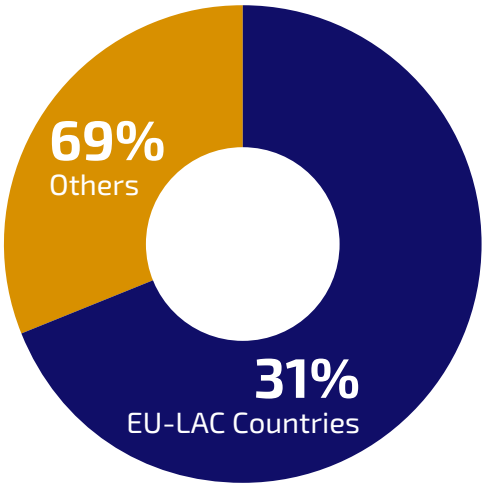
THE NEW CHALLENGES LEFT BY THE COVID-19 CRISIS ARE AN OPPORTUNITY TO LAY THE FOUNDATIONS FOR A NEW STAGE OF GLOBALISATION, WITH A MORE PROACTIVE STATE, WITH RULES ADOPTED MULTILATERALLY AND DEMOCRATICALLY WITH MULTIDIMENSIONAL IMPACT, WITH DYNAMIC MARKETS AND RESPONSIBLE REGULATORY STATES.

GLOBAL PUBLIC GOODS AND GLOBAL GOVERNANCE

The Secretary-General of the UN stated that, knowing that there is no system of global governance, the only possible way out of the crisis is effective international cooperation, where multilateralism is not only a matter of facing shared threats, but also involves taking advantage of common opportunities (ECLAC, 2020). At the global level, the UN has made an effort to achieve global public goods, but it has not succeeded in reaching a global public interest, which would involve responding to key political concepts such as authority, sovereignty and democratic legitimacy (Dingwerth and Pattberg, 2006). The terms aid, cooperation and

solidarity are still preferred, which continues to place the problem in the Other. It is precisely in this immense "bundle" that is world governance, where everything fits –the local, the national, the regional– that the construction of a global policy tends to be diluted.

Representation of EU and LAC countries at the UN General Assembly



Returning to the idea of opportunity in the current context, it is time to project a new global distribution of power through renewed global governance. The securitisation of the health response during the COVID-19 crisis revealed the need for a "responsible and ethical circulation of goods and services in times of crisis" (Sepúlveda and Villar, n.d., p.5). Modes of regional health governance can be exogenously or endogenously driven depending on state capacity and regional leadership. In cases where States do not have the necessary State capacity to address transnational health problems, regional institutions and their partnership with external actors play a key role in a coordinated response (Agostinis and Parthenay, 2021).

This highlights several substantial lessons: state capacity is a necessary but not sufficient condition for dealing with crises; regional leadership is limited if its arrangements are not strongly institutionalised; global governance must be ascribed to a binding multilateralism (Tokatlian, 2021) that encourages compliance with norms and rules and builds flexible coalitions at the global level that are not overly politicised.

This idea of binding multilateralism is expressed in the communiqué of the EU High Representative for Foreign Affairs and Security Policy, Joseph Borrel, in February 2021 when he calls for an effective, diverse and inclusive multilateralism. It sets out the EU's intention to promote cooperative solutions to "build back better". This means reinvigorating the multilateral order to address global challenges. Reform of the United Nations system is at the heart of this communiqué. In particular, interest is expressed in reforming the Security Council and the International Financial Institutions (IFIs) to provide stability, certainty and equity by increasing the quotas and votes of developing and emerging members.

An ambitious modernisation of institutions such as the World Health Organization (WHO) is proposed, with the EU positioning itself as a key player in the promotion of new norms, international standards and international cooperation frameworks to strengthen international preparedness and response capacity for health emergencies. Examples of this leadership include the global response to deliver tangible results in the fight against COVID-19 and the subsequent creation of the COVID-19 Access to Tools Accelerator (ACT-A) and its COVAX mechanism and the G20 Action Plan to respond to the pandemic.

The success of the overall commitment to these reforms will lie in the EU's ability to deepen strategic partnerships and alliances with third countries and regional organisations. In this communiqué, CELAC is recognised as a regional interlocutor in matters of peace, security and conflict prevention. Strengthening this position would make it possible to channel other social agendas and play a leading role in dialogue processes.

The "Alliance for Multilateralism", an informal network initially promoted by the foreign ministers of France and Germany in which Chile and Mexico have participated as co-hosts and eight other LAC countries

as participants[7], has also had as its conviction the promotion of a rules-based multilateral order as a reliable guarantee for international stability and peace, taking cooperation as a way to solve common challenges. The commitment to a renewed global power politics has been supported by countries from all continents and the EU itself (The Federal Government, 2021). The Alliance's areas of action cover human rights with a strong gender focus, international law and accountability, disarmament and arms control, promoting binding norms of behaviour in cyberspace, joint action on climate change, strengthening institutions and promoting global public goods in the context of COVID-19, and strengthening the multilateral health architecture.

IN PARTICULAR, THIS GLOBAL GOVERNANCE SHOULD BE LONG-TERM:

1. RESHAPING KNOWLEDGE GOVERNANCE FOR THE COMMON GOOD;
2. REFORMING CORPORATE GOVERNANCE TO BETTER REFLECT THE IMPORTANCE OF DIFFERENT STAKEHOLDERS;
3. BUILDING RESILIENT AND DIVERSE PRODUCTION CAPACITY AND INFRASTRUCTURE;
4. INTRODUCING CONDITIONS FOR PUBLIC INVESTMENTS IN ORDER TO CREATE SYMBIOTIC PUBLIC-PRIVATE PARTNERSHIPS;
5. STRENGTHENING THE CAPACITY OF THE PUBLIC SECTOR IN HEALTH INNOVATION;
6. FOSTERING GLOBAL SOLIDARITY AND EQUITY TO AVOID TECHNOLOGY HOARDING BY A FEW COUNTRIES (MAZZUCATO, 2021).

7. These countries include: Argentina, Colombia, Costa Rica, the Dominican Republic, Ecuador, Paraguay, Peru and Uruguay.

Bi-regional partnerships, such as those discussed in this Policy Brief, are an ideal space for cooperation to implement these six recommendations for good global governance by putting social agendas at the centre of short- and medium-term priorities in the post-COVID recovery. In the area of global governance, as the EU-LAC joint communiqué rightly states, the joint response of transnational and non-state actors, development banks, the private sector and civil society is essential for a coherent and timely system.

IDENTIFICATION OF KEY ACTIONS IN THE LAC POSITION

- → CONSOLIDATING PARTNERSHIPS WITH EUROPE FOR THE STRENGTHENING OF DEMOCRACY AND RULES-BASED MULTILATERALISM.
- → PARTICIPATING MORE ACTIVELY IN AD HOC ALLIANCES ON TECHNOLOGIES THROUGH PRAGMATIC COALITION STRATEGIES TO GAIN INFLUENCE IN INTERNATIONAL ORGANISATIONS.
- → ENSURING ALIGNMENT WITH INTERNATIONAL STANDARDS ON LABOUR RIGHTS, ENVIRONMENTAL PROTECTION AND ANTI-CORRUPTION AND GOOD GOVERNANCE IN THE STRATEGIC RELATIONSHIP WITH CHINA. THE EU IS A KEY PLAYER IN THE ENFORCEMENT AND PROMOTION OF SUCH INTERNATIONAL STANDARDS.
- → SIGNING AGREEMENTS THAT GUARANTEE A BALANCED ECOLOGICAL TRANSITION ADAPTED TO LOCAL NEEDS, GUARANTEEING TERRITORIAL FREEDOM OF ORGANISATION, EQUALITY AND SOCIAL JUSTICE.
- → ESTABLISHING EFFECTIVE RELATIONSHIP STRATEGIES TO POSITION THE REGION IN THOSE SECTORS WHERE IT CAN ADD VALUE. FROM THE POINT OF VIEW OF DIPLOMACY, LIQUID AUTONOMY AND NICHE DIPLOMACY ARE APPROPRIATE STRATEGIES FOR THIS PURPOSE.
- → ADAPTING THE DESIGN OF PUBLIC POLICIES TO THE FULFILMENT OF THE SDGS AND THE IMPLEMENTATION OF THE 2030 AGENDA, SPECIFICALLY IN ITS SOCIAL ASPECT.
- → IMPROVING UNDERSTANDING OF THE INSTITUTIONAL PRIORITIES OF LATIN AMERICAN PARTNERS AND EU MEMBER STATES TO ENSURE PROGRESS ON THE BI-REGIONAL POLITICAL AGENDA.

IDENTIFICATION OF KEY ACTIONS IN THE EU POSITION

→ TAKING ADVANTAGE OF THE CONVERGENCE OF BI-REGIONAL AGENDAS ON ISSUES SUCH AS MULTILATERALISM AND THE GLOBAL OBJECTIVES OF THE 2030 AGENDA TO STRENGTHEN LAC'S ROLE AS A POLITICAL PARTNER.

→ REDUCING THE GAPS BETWEEN POLICY AND PRACTICE THAT AFFECT THE EU'S NORMATIVE ROLE IN LAC, MAINLY AS REGARDS THE INTERNAL CONSISTENCY OF EU DEVELOPMENT POLICY.

→ CONSOLIDATING PROGRESS TOWARDS NEW FORMS OF MULTI-STAKEHOLDER AND MULTILEVEL COOPERATION WITH LAC.

→ REVIVING THE EU-MERCOSUR AGREEMENT BY EXPLICITLY ADDRESSING NATIONAL DIVERGENCES AND SEEKING EFFECTIVE CONVERGENCE SOLUTIONS FOR BOTH PARTIES.

→ STRENGTHENING THE DRIVE FOR FOREIGN DIRECT INVESTMENT IN AREAS SUCH AS THE GREEN AND DIGITAL ECONOMY AND INCREASED CONNECTIVITY.

→ REPOLITICISING THE BI-REGIONAL RELATIONSHIP IN TERMS OF SUPPORT FOR LATIN AMERICAN CIVIL SOCIETY, THE DEFENCE OF THE RULE OF LAW AND THE PROMOTION OF THE FULFILMENT OF HUMAN RIGHTS AND EQUALITY BETWEEN WOMEN AND MEN IN LAC.

→ BUILDING TOGETHER WITH LAC INNOVATIVE COOPERATION MODALITIES IN THE AREAS OF DEVELOPMENT AND INNOVATION, SOCIAL COHESION AND THE FIGHT AGAINST CLIMATE CHANGE, THANKS TO A PROCESS OF MUTUAL LEARNING.

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