



# EU-LAC Foundation Newsletter

## June 2014

Dear friends,

Small and medium enterprises are essential economic actors for the development of countries. Both in European Union and the countries of the Community of Latin America and the Caribbean States (CELAC) represent between 95 to 99 per cent of businesses and generate between 40 and 60 per cent of employment. In addition to their economic relevance, SMEs contribute to social integration. Nevertheless, these businesses face several hurdles that prevent them in achieving their fullest potential.

The valuable articles by organizations and institutions in this edition of the quarterly newsletter identify the challenges faced by these companies in both regions as well as the cooperation opportunities between them.

We invite you to reflect upon the potential that this business model has to the development of the European Union, Latin America and the Caribbean.

To learn more about our activities addressed to SMEs, please click [here](#).

We wish you enjoy reading this edition of the EU – LAC Foundation Newsletter!

- **TOPIC: Small and Medium-sized Enterprises**
- **Activities of the EU-LAC Foundation**
- **Promoting young researchers**
- **Statement of the Government of the Dominican Republic about the new citizenship law 169-14**

### **TOPIC: Small and Medium-sized Enterprises**

Francisco Rivadeneira  
Minister of Foreign Trade,  
Republic of Ecuador

Antonio Tajani  
Vice-President of the European  
Commission, EU  
Commissioner for Industry and

### **Upcoming events:**

**30 June 2014**  
**Conference “New EU  
development cooperation**



### Competitiveness is key

Ecuador, like many Latin American countries, has focused strongly on the idea of development, forging its own path toward a more sustainable, inclusive society focused on a better quality of life for all citizens.

The advancements made from these efforts are indisputable; Ecuador's productive matrix changes have begun to steer its economy away from focusing entirely on primary products and raw materials, in turn producing a wider variety of goods and giving these goods true added value. Our country, once known for producing and exporting raw cacao beans to other regions of the world, is now creating its own fine chocolate, many times infused with natural flavors that have helped to brand Ecuador as a chocolate powerhouse. This is just one example of the results we have seen through the implementation of a new, more innovative national production plan.

[Read the full opinion here...](#)

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Dr Stefan Zoller

### Entrepreneurship



### Small and Medium sized Enterprises, Missions for Growth and the New Industrial Revolution

The European Union and the Latin America and Caribbean region have enjoyed privileged relations since the first bi-regional Summit, held in Rio de Janeiro (Brazil) in 1999, which established a strategic partnership between the two regions. They are natural partners linked by strong historical, cultural and economic ties. They cooperate closely at the international level and maintain an intensive political dialogue at all levels – regional, subregional and, increasingly, at bilateral level.

Summits of EU, Latin American and Caribbean (LAC) leaders take place every two years, the last one was held in Santiago, Chile, in January 2013, and the next one will take place in Brussels in 2015.

[Read the full opinion here...](#)


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Roberto Maroni

### strategies in Latin America and the Caribbean”

23 - 25 July 2014  
**FLACSO-ISA Joint International Conference: Global and Regional Powers in a Changing World**

29 - 30 July 2014  
**Workshop on strengthening institutional cooperation for the countries of CELAC**

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### Publications of interest:

Ayuso A. and S. Villar (2014) ***Study on Latin America, the Caribbean and Central and Eastern Europe: Potential for Economic Exchange.*** Hamburg: EU-LAC Foundation.

CEPAL (2014) ***Foreign Direct Investment in Latin America and the Caribbean 2013.***

Hopenhayn, M., C. Maldonado, R. Martínéz, M. Nieves and A. Sojo (2014) ***Pactos Sociales para una Protección Social Más Inclusiva: Experiencias, obstáculos y posibilidades en América Latina y Europa.*** Santiago de Chile: United Nations.

Lederman, D., J. Messina, S. Pienknagura and J. Rigolini (2014) ***Latin American Entrepreneurs : Many Firms but Little Innovation.*** Washington: World Bank.

Chairman of BDI Brazil Board



 **BDI Brazil Board**

### “Where are the Germans?” – A new stage in bilateral cooperation between Brazil and Germany

Success stories in economic cooperation between Brazil and Germany have a long history. And this partnership is not limited to the big players. The force behind an efficient cooperation is the “German Mittelstand”, the term used worldwide to designate my country’s small and medium-sized enterprises.

These companies – many of them hidden champions – know very well how to operate in regional and global scenarios, often under conditions that cause large companies to fail. And it is precisely because of these small and medium-sized enterprises that Germany has so much to offer Brazil. Be it in the services sector, investment goods, sustainable energy generation or IT, the partnership between the two countries provides perfect complementarity to come to grips with future challenges and demands of an increasingly competition-oriented world market.

President of Lombardy



### Cluster development strategy and internationalization of SMEs of Regione Lombardia

The Lombard context is characterized by a dynamic and diversified entrepreneurial and scientific-technological system, with peaks of excellence achieved in different industries and fields.

Over the past decade, Regione Lombardia has been facing the challenging task of decoding and governing the changes, taking place in the Region, in order to formulate regional policies that address real needs while shifting from a vertical approach, with a perspective on traditional sectors, towards a new horizontal logic with a perspective on “systems of competence.”

Therefore, Regione Lombardia developed a strategic vision for smart specialization including. “district-based” industrial policy.

[Read the full opinion here...](#)

Murnane, R. J. and A. J. Ganimian (2014) **“What can Latin America Learn from Rigorous Impact Evaluations of Education Policies?”** *PREAL Working Paper Series*. Washington: Inter-American Dialogue.

Riojas, C. (2013) **“Las Transiciones como Historia Global: Una Perspectiva desde América Latina.”** *Revista Venezolana de Análisis de Coyuntura* 19(2):143-166

Sandberg, J. (2014) ***Social Policy of Our Time? An Inquiry into Evidence, Assumptions, and Diffusion of Conditional Cash Transfers in Latin America.*** Lund: Lund University.



### ***The Caribbean visits Hamburg*** **22 May**

In the framework of the Long Evening of the Consulates, the EU-LAC Foundation presented the Caribbean culture to Hamburg residents with music, dance, cinema and traditional food.



[Read the full opinion here...](#)

Pamela Coke Hamilton  
Executive Director,  
Caribbean Export



### **The Role of SMEs in the Caribbean**

There is no denying the important role that the private sector plays in the Caribbean region. According to statistics from the CARICOM Secretariat, the regional private sector creates at least 70% of jobs. Apart from large mineral companies (e.g. bauxite and petrochemicals), the majority of Caribbean firms can be considered SMEs and they operate in a variety of sectors including the agricultural, manufacturing, tourism and services sectors.

There is no fixed definition of an SME across the region even though efforts are underway to develop a Regional Micro, Small and Medium Enterprise Policy that will standardize such definitions. For example, in Jamaica a small enterprise is defined as one with 4-10 employees and with assets of US\$ 100,000 or less whereas

Florence Pinot de  
Villechenon  
CERALE, ESCP Europe



### **European and Latin American SMEs: the challenge of internationalization on another continent**

Since the 1980s, SMEs have been regarded as one of the vectors of European-Latin American relations. What were then called facilités Cheysson or ECIP programmes constituted the first cooperation arrangements between European and non-member SMEs. When the programme AL-INVEST was launched in 1994, it formed part of this movement to accompany the internationalization efforts of European and Latin American SMEs. AL-INVEST was developed in four phases between 1994 and 2012 and proved to be –along with ALFA and URBAL– one of the most successful regional programmes implemented by the European Commission for and with Latin America.

### **2nd EU-LAC Art Session: Connection Cultures**

presents work by Nelson Romero (1951 - 2012) that will be exhibited until the 18th of August at the EU-LAC Foundation headquarters.



in Trinidad and Tobago, a small enterprise must have between 6-25 workers with assets of US\$40,000 - \$240,000.

[Read the full opinion here...](#)

The research organized by CERALE has produced some lessons included in this report regarding the determinants of the internationalization process and inherent difficulties and ways of overcoming them in addition to some conclusions on improving public support policies.

[Read the full opinion here...](#)

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## Activities of the EU-LAC Foundation

### Latin America, the Caribbean, Central and Eastern Europe LIGHTS AND SHADES OF A FRIENDLY BUT A DISTANT RELATIONSHIP



Picture courtesy of PISM

The relationship between Latin America, the Caribbean and the countries of Central and Eastern Europe has intensified during the last years, but it still remains well below the desirable potential of exchange between regions that share values, political experiences and pursue growth for attenuating social inequalities.

That is the conclusion of the study “Latin America, the Caribbean and Central and Eastern Europe: Potential for Economic Exchange”, presented on the 12th of May in Warsaw, followed by a seminar on the 13th, where the possibilities for cooperation, which, according to the president of the Foundation, Benita Ferrero-Waldner, should be “strategic”, were discussed.

[Click here to read the full article.](#)

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LAC week in France

## SUSTAINABLE CITIES, INTELLIGENT CITIES



Senator Jean-Marc Pastor, opened the forum "Sustainable Cities: Intelligent Cities: Perspectives from Europe, Latin America and the Caribbean" event held on May 28 in Paris organised by the Strategic partners EU-LAC Foundation and the Institut des Amériques with the support of other organisations.

The Foundation, represented by its president, Benita Ferrero-Waldner, and its executive director, Jorge Valdez, thereby reinforcing the strategic partnership with the Institut des Amériques, an institutions with a long history of support for the pursuit of policies and measures that could improve life in the cities, make them cleaner and more inclusive for all their citizens.

Ferrero-Waldner noted in her speech that in the early XIX century, only 2% of the global population lived in cities, while in 2050 it will already reach the 70% figure, according to "World Population Prospects" UN report.

[Read the whole article here...](#)

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**III Meeting Strategic Triangle "Latin America – Europe – Africa"**  
**LATIN AMERICA, A PARTNER FOR OVERCOMING THE CRISIS**



Picture by Alexandre Pona courtesy of IPDAL

A “strategic triangle” formed by Africa, Latin America and Europe. This is the alliance proposed by the Portuguese non-profit association Latin America Development Institute (IPDAL) that hosted on 7th April in Lisbon an international forum to discuss about an alliance that, if it becomes a reality, would allow the European Union to counter the growing influence of China in the respective regions.

The conference, attended by the president of the EU-LAC Foundation Benita Ferreo-Waldner as a special guest, revolved around a report of the consultancy Accenture from 2013, according to which the competitive advantages of an alliance between the three regions that unite 133 countries and 2,3 billion of people lay in its demographic balance, the search for natural resources and its cultural proximity.

On initiative of IDPAL and prior to the conference, the Portuguese political parties had been holding a parliamentary session to review Portugal’s relations with both sides of the Atlantic. They identified this triangle, and especially the vertex Latin America, with Brazil, Mexico or Chile, as one crisis’ exit door.

[Read more...](#)

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**Preparatory Seminar of the II Academic Summit EU-LAC  
BUCHAREST, ANOTHER STEP TOWARDS THE  
COMMON AREA OF HIGHER EDUCATION**

# SEMINARIO PREPARATORIO

CUMBRE ACADÉMICA  
AMÉRICA LATINA Y EL CARAIBE - UNIÓN EUROPEA



CELAC-UE

BUCAREST • MAYO 2014

The importance of strengthening the links between universities, research and company, and the need to develop a system of accreditation and homologation of studies between the European Union, Latin America and Caribbean again became evident during the seminar held during 26th and 27th May in Romania, as part of the process of preparing for the II bi-regional Academic Summit next year in Belgium.

Romanian Minister of Education, Remus Pricopie, and Romanian Minister of Foreign Affairs, Titus Corlatean, inaugurated the seminar, organized by the University of Bucharest through the Institute of Latin American Studies and supported by the Executive Secretary of the Permanent Academic Forum (FAP) comprised of the Institute of the Americas in France (IdA) and the Latin American Centre for relations with Europe (CELARE); and the EU-LAC Foundation.

Already in the opening session, Annick Castiaux, from University of Namur, member of the organizing committee of the II Academic Summit, proposed to hold this event in parallel to the projected Business Summit, thus involving enterprises in the search for ways which will enable the educational system to meet the needs of an increasingly flexible, dynamic and qualified labour market.

[Read the full article here...](#)

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**Promoting young researchers (in Spanish only)**

**INVERSIÓN EXTRANJERA DIRECTA Y POLÍTICA**



## ECONÓMICA: VARIEDADES DE CAPITALISMO EN MÉXICO Y LA REPÚBLICA CHECA

Por Patric Polonec y Carlos Riojas, Universidad de Guadalajara, México

### ABSTRACT

México y la República Checa son diferentes en cuanto a la cultura, ubicación geográfica o poder económico. Sin embargo, diversos académicos resaltan similitudes importantes geoeconómicas, así como una corriente ideológica compartida – neoliberalismo – como resultado de una “historia global.”

El objetivo de este trabajo es confirmar en el campo de la inversión extranjera directa el desarrollo económico similar de ambos países e investigar acerca de las variedades de capitalismo presentes en ambos países. El ensayo abrirá con un repaso teórico de las variedades de capitalismo. Continuará con un análisis de la captación de inversión y promoción económica, revisando el marco legal, privatización como uno de los principales flujos de inversión y las agencias de promoción económica de ambos países. Se concluirá con una evaluación del grado de liberalización de las economías checa y mexicana.

[Read the full paper here...](#)

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## Statement of the Government of the Dominican Republic about the new Citizenship Law 169-14

Tengo el gusto de remitirle la nueva “Ley 169-14 QUE ESTABLECE UN RÉGIMEN ESPECIAL PARA PERSONAS NACIDAS EN EL TERRITORIO NACIONAL INSCRITAS IRREGULARMENTE EN EL REGISTRO CIVIL DOMINICANO Y SOBRE NATURALIZACION”, que fue aprobada por nuestro Congreso Nacional y promulgada por S.E. el Presidente de la República Dominicana, Señor Danilo Medina.

La Ley 169-14 es el resultado de un extenso proceso de consultas y diálogo con líderes representantes de toda la sociedad dominicana: políticos, económicos, religiosos y civiles. Elaborada respetando a cabalidad los Derechos Humanos y con el firme propósito de ofrecer una solución a los grupos de personas nacidas en la República Dominicana, hijos de padres extranjeros en situación migratoria irregular.

[Read the complete statement \(in Spanish only\) here...](#)

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