



EU-LAC Foundation, Yuste Foundation

# Relations between the European Union and Latin America and the Caribbean: A renewed agenda and a programme for recovery within the framework of the Sustainable Development Goals

Proceedings of the Online Summer Course 2021 | Yuste Campus

EU-LAC Foundation, Yuste Foundation

# **Relations between the European Union and Latin America and the Caribbean: A renewed agenda and a programme for recovery within the framework of the Sustainable Development Goals**

Proceedings of the Online Summer Course 2021 | Yuste Campus

The European Union – Latin America and Caribbean International Foundation (EU-LAC Foundation) was created in 2010 by the Heads of State and Government of the European Union (EU) and the Community of Latin American and Caribbean States (CELAC) member states. Its Members are the Member states of the EU and CELAC as well as the EU itself. The Foundation is a tool of the EU-LAC partnership and its activities feed into the intergovernmental dialogue, in line with the bi-regional Action Plan.

The EU-LAC Foundation was entrusted with the mission of strengthening and promoting the strategic bi-regional relationship, enhancing its visibility and fostering active participation of the respective civil societies.

Based on this mission, the Foundation was invited by the European and Ibero-American Academy of Yuste Foundation to co-organise the Summer Course 'European Union-Latin America and the Caribbean relations: a renewed agenda and agenda for recovery in the framework of the SDGs', in the week of 19-26 July 2021, in virtual format. Against the backdrop of the Covid-19 pandemic, the main objective of this Summer School was to analyse the current challenges, explore possible options for designing policies and programmes for the recovery of Latin America and the Caribbean, and examine options for developing a renewed agenda for cooperation between the European Union and Latin America and the Caribbean to help address these common challenges, whilst simultaneously contributing to the achievement of the 2030 Agenda.

The publication of this Keynote Lecture Series can be accessed through the following link: <https://eulacfoundation.org/en/relations-between-european-union-and-latin-america-and-caribbean-renewed-agenda-and-programme>

The recorded videos of the five days of the Summer Course are available (in Spanish) here: <https://www.fundacionyuste.org/relacionesuealods2021/>

**EU-LAC FOUNDATION, 2022**

Große Bleichen 35

20354 Hamburg, Germany

<https://eulacfoundation.org/en>

**PUBLISHED BY:**

EU-LAC Foundation

GRAPHIC DESIGN: Virginia Scardino | <https://www.behance.net/virginiascardino>

PRINTING: Scharlau GmbH

ISBN: 978-3-949142-13-0

DOI: 10.12858/0322en

This edition was produced by the EU-LAC Foundation. The Foundation is financed by its Members and, in particular for this initiative, by the European Union and the Federal Republic of Germany. The concepts expressed in the presentations compiled in this edition are solely the responsibility of the authors and cannot be considered as the point of view of the EU-LAC Foundation, its Member States or the European Union.

This publication is copyrighted, although it may be freely reproduced by any means for educational purposes or to carry out promotion, advocacy or research activities as long as the source is cited appropriately. The holders of the copyright request to be informed of the mentioned uses in order to evaluate their impact. To contact the Foundation via email: [info@eulacfoundation.org](mailto:info@eulacfoundation.org)



Federal Foreign Office

# TABLE OF CONTENTS

PRESENTATION	V
OPENING SESSION	1
1. First Day (19 July 2021): THE PANDEMIC AND ITS HEALTH AND SOCIO-ECONOMIC EFFECTS	3
2. Second Day (20 July 2021): DEMOCRACY, HUMAN RIGHTS AND RENEWAL OF THE SOCIAL CONTRACT	19
3. Third Day (21 July 2021): MULTILATERALISM, INTERNATIONAL RELATIONS AND THE BI-REGIONAL SOCIAL FABRIC AS AN INSTRUMENT FOR THE GOVERNANCE OF GLOBALISATION	32
4. Fourth Day (22 July 2021): ECONOMIC DEVELOPMENT AND REGIONAL INTEGRATION. A SUPRANATIONAL UNION AS A REQUIREMENT OF GEOPOLITICAL PRESENCE	47
5. Fifth Day (23 July 2021): LATIN AMERICA AND EUROPE FACING THE OPPORTUNITIES OF A CHANGING WORLD. DIGITAL AND ECOLOGICAL DISRUPTIONS AT THE HEART OF THE TECHNOLOGICAL REVOLUTION	62
CLOSING SESSION	76



# CAMPUS YUSTE

(ONLINE - 2021)

#CampusYuste

[www.fundacionyuste.org](http://www.fundacionyuste.org)



@fundacionyuste



PROTEGE LA TIERRA

RELATIONS BETWEEN THE EUROPEAN UNION AND LATIN AMERICA AND THE CARIBBEAN: A RENEWED AGENDA AND A PROGRAMME FOR RECOVERY WITHIN THE FRAMEWORK OF THE SDGS

From 19 to 23 July



## ORGANISERS



**FUNDACIÓN YUSTE**  
ACADEMIA EUROPEA E IBEROAMERICANA



10 years | 10 años  
EU-LAC Foundation  
Fundación EU-LAC

## COLLABORATORS



Secretaría General Iberoamericana  
Secretaría-Geral Ibero-Americana



Conferencia sobre el Futuro de Europa

## PRESENTATION

This summer course "Relations between European Union-Latin America and Caribbean: a renewed agenda and programme for recovery within the framework of the SDGs", implemented in close collaboration between the Yuste Foundation and the EU-LAC Foundation, with the collaboration of the Ibero-American General Secretariat (SEGIB), the Euro-America Foundation and the University of Extremadura, in the week of 19 to 23 July 2021 in virtual format, started from the understanding that, already before the pandemic, the Latin American and the Caribbean region registered its lowest period of economic growth in the last seven decades after years of economic growth at high rates.

The course was organised within the framework of the Conference on the Future of Europe promoted by the European Institutions, and was directed by Adrián Bonilla, Executive Director of the EU-LAC Foundation and Rebeca Grynspan, former Secretary General of the Ibero-American General Secretariat (SEGIB), and coordinated by Miguel Ángel Martín Ramos, Head of European Affairs and Delegate of the Yuste Foundation in Brussels, and Lorena Chano Regaña, Professor of Constitutional Law at the University of Extremadura, who served as secretaries and moderators of the course.

The course was attended by 202 persons from Argentina, Belgium, Bolivia, Brazil, Chile, Colombia, Costa Rica, Cuba, Dominican Republic, Ecuador, France, Italy, Mexico, Nicaragua, Paraguay, Peru, Portugal, Spain, United Kingdom, Ukraine, Uruguay, USA, and Venezuela.

The Covid-19 health emergency has aggravated the situation, increasing extreme poverty to figures unknown in the last decade. It has also affected women in a special way, leading to a setback of more than ten years in terms of gender equality and loss of opportunities, and access to the labour market. Generally, there have been great inequalities and a strong dependence on foreign countries at the health level, unequal access to the internet and new technologies, considerable differences in several dimensions of human development between rural and urban areas, as well as important effects of climate change in the region. In addition, there has been evidence of a lack of funding to address these challenges.

This situation led to the occasional occurrence of scenarios of political and social uncertainty in various Latin American and Caribbean countries. Historical experience, at global level, has illustrated that economic and social crises have political consequences. Therefore, the preservation of democratic governance and the protection of access to services in equal opportunities, as well as policies of inclusion and the promotion of a new social contract, have come to be seen as central responses at this critical moment.

This summer course was dedicated to analysing the current situation and seeking answers to the challenges facing the region within the framework of the 2030 Agenda and the Sustainable Development Goals (SDGs). Possible options were explored to work on policies and programmes for the recovery of Latin America and the Caribbean, and options were

examined to develop a renewed agenda in bi-regional relations between the European Union (EU) and Latin America and the Caribbean (LAC) that contributes to processing these common challenges, also taking into account the commitment to a strengthened multilateralism and initiatives to mitigate climate change and opt for digitalisation as possible valid instruments for the management of global issues.

The co-organisers of the summer course, the Yuste Foundation and the EU-LAC Foundation, would like to express their particular thanks to the University of Extremadura, the Euro- America Foundation and the Ibero-American General Secretariat (SEGIB), to the moderator Cristina Manzano Porteros (Director of ESGlobal), as well as to the speakers and commentators of outstanding importance and trajectory from both sides of the Atlantic, for their technical and logistical support and their valuable contributions to the successful performance of this activity. We would also like to thank the students of the Summer Course for their interest and assistance as well as their questions and contributions. Finally, we would like to thank Federica Giordani and Geraldine Meyer Olivella, interns at the EU-LAC Foundation, for writing this report, as well as Dr Anna Barrera Vivero, EU-LAC Foundation, and Miguel Ángel Martín Ramos and José Luis Forte Zarcero, Yuste Foundation, for proofreading and editing.

Enjoy your reading!

Adrián Bonilla  
**Executive Director**  
EU-LAC Foundation

Juan Carlos Moreno Piñero  
**Director**  
European and Ibero-American Academy  
of Yuste Foundation

Anna Barrera Vivero  
**Senior Programme Manager**  
EU-LAC Foundation

Miguel Ángel Martín Ramos  
**Head for European Affairs and Delegate in Brussels**  
European and Ibero-American Academy  
of Yuste Foundation



# OPENING SESSION

**Adrián Bonilla** | Director of the EU-LAC Foundation

**Antonio Hidalgo García** | Chancellor of the University of Extremadura

**Guillermo Fernández Vara** | President of the Junta de Extremadura [Extremadura Autonomous Government] and President of the Board of Trustees of the European and Ibero-American Academy of Yuste Foundation

During the opening session, Dr Adrián Bonilla, Director of the EU-LAC Foundation, highlighted the purpose of the course - to offer its participants an overview of the relations between the European Union and Latin America and the Caribbean, from a double perspective: (1) academic, on the one hand, thanks to the presentations of academics who would study in a systematic and in-depth global and transversal issues in the relations between the two regions, such as democracy, economic affairs, human rights, among others. And (2) practice-oriented, in view of the interventions of personalities who make decisions in the regions, members of governments, Directors of international organisations, officials of the public and private administration, who would share lessons and experiences from the exercise of their functions.

Dr Bonilla also took the opportunity to highlight and thank the collaborating organisations that made the course possible, and emphasised that for the EU-LAC Foundation, as an international organisation constituted by European, Latin American and Caribbean governments, participation in this experience is enriching, as it would allow to have a panoramic vision of the reality of bi-regional relations and connect with personalities from both regions.

For his part, Dr Antonio Hidalgo García, Chancellor of the University of Extremadura, stressed the importance of the course and its traditional debate around the implications of relations between the European Union and Latin America and the Caribbean, and in turn gave special emphasis to the role of the Sustainable Development Goals as a framework for the permanent solution or tool to face the problems we face as a society.

Next, Dr Hidalgo highlighted the high relevance of the invited speakers, the importance of their contributions to the diversity of content and perspectives during the course and took the opportunity to congratulate the organising entities for their remarkable work and for the plurality of attendees in this virtual edition.

In the same way, Dr Guillermo Fernández Vara, president of the Junta de Extremadura and president of the Board of Trustees of the European and Ibero-American Academy of Yuste Foundation, referred to the moment we are living in the fight against the Covid-19 pandemic and the latent urgency of focusing global attention on overcoming it. He also drew attention to the need to produce unanimity on priorities in the world, including the

recovery of multilateralism, which was weakened, among other reasons, after the trust in dialogue as an instrument to overcome obstacles was broken as a political consequence of the administration of the former president of the United States, Donald Trump. In this sense, Dr Fernández Vara recalled that the dialogue between different cultures, societies and territories allows to share the problems they face, as well as their diagnoses and possible treatments; and that this is precisely the objective of the Yuste Campus, the promotion of common spaces for the search for a joint solution to the problems we face.

Furthermore, Dr Fernández drew attention to the role of the European Union and Latin America and the Caribbean in the search for a better future. In relation to this, he emphasised the importance of values such as coexistence, respect, tolerance and inclusion, and the promotion of talent and knowledge, ecology and the sustainable use of natural resources, and the creation of equal opportunities to face challenges.

Finally, Dr Fernández referred to the need for a global and equitable distribution of vaccines, stating that "the world must understand that, if there are no vaccines for everyone, there are no vaccines for anyone". Likewise, he mentioned that it is time to consider the most transversal objective in the SDGs: life, and that it is around this that we must strive to achieve a fairer future for citizens.

**CAMPUS YUSTE**  
(ONLINE - 2021)

**MODERATORS**

**LAS RELACIONES UNIÓN EUROPEA-AMÉRICA LATINA Y EL CARIBE: UNA AGENDA RENOVADA Y UN PROGRAMA PARA LA RECUPERACIÓN EN EL MARCO DE LOS ODS**

**CRISTINA MANZANO PORTEROS**  
Directora de EsGlobal

**MIGUEL ÁNGEL MARTÍN RAMOS**  
Delegado en Bruselas de la Fundación Yuste

**LORENA CHANO REGAÑA**  
Universidad de Extremadura.  
Secretaría del Curso.

# 1. First Day

MONDAY, 19 JULY 2021, 4 P.M. – 7.30 P.M. (CEST)

## THE PANDEMIC AND ITS HEALTH AND SOCIO-ECONOMIC EFFECTS

**CAMPUS YUSTE**  
(ONLINE - 2021)

**LAS RELACIONES UNIÓN EUROPEA-AMÉRICA LATINA Y EL CARIBE: UNA AGENDA RENOVADA Y UN PROGRAMA PARA LA RECUPERACIÓN EN EL MARCO DE LOS ODS**

**Día 19 de julio**

 <b>ADRIÁN BONILLA</b> Director Fundación EU-LAC.	 <b>ANTONIO HIDALGO GARCÍA</b> Rector de la Universidad de Extremadura	 <b>GUILLERMO FERNÁNDEZ VARA</b> Presidente de la Junta de Extremadura	 <b>REBECA GRYNSPAN MAYUFIS</b> Secretaría General Iberoamericana (SEGIB)	 <b>LUIS FELIPE LÓPEZ CALVA</b> Director Regional para América Latina y El Caribe. PNUD	
 <b>SEBASTIÁN ROVIRA</b> Oficial de Asuntos Económicos de la CEPAL.	 <b>MARCELA MELÉNDEZ</b> Economista Jefe para América Latina y el Caribe del PNUD	 <b>JAVI LÓPEZ</b> Copresidente de la Asamblea Parlamentaria Euro-Latinoamericana	 <b>OSCAR DARIÓ PÉREZ PINEDA</b> Copresidente de la Asamblea Parlamentaria EuroLatinoamericana	 <b>LEIRE PAJÍN IRAOLA</b> Presidenta de la Fundación EU-LAC	 <b>ERIKA RUIZ SANDOVAL</b> Profesora del CIDE

### OPENING PRESENTATION

#### RELATIONS BETWEEN THE EUROPEAN UNION AND LATIN AMERICA AND THE CARIBBEAN: A RENEWED AGENDA AND PROGRAMME FOR RECOVERY WITHIN THE FRAMEWORK OF THE SDGS

**Rebeca Grynspan Mayufis** | Ibero-American Secretary General (SEGIB)

Rebeca Grynspan, Ibero-American Secretary General, opened the first day of the course by offering an overview of the scenario facing Latin America and the Caribbean (LAC) and the European Union (EU).

The speaker started by pointing out that the Covid-19 crisis has become a triple crisis, that is, not only a health crisis, but also an economic and social one. In particular, it focused on the fact that it is an asymmetrical and discriminatory crisis. In fact, the impacts of the crisis have been disproportionate to vulnerable groups and to developing countries, including Latin America and the Caribbean. In this sense, although the crisis united the Ibero-American countries in a common purpose to fight the crisis together, the truth is that there was a great disproportion in the impacts that this crisis had. In addition, the speaker drew attention to a particularly harsh fact: the LAC region represents 8% of the world's population, but still represents 30% of the total deaths worldwide linked to Covid-19.

The social effects of the pandemic were devastating. As highlighted by Rebeca Grynspan, in Latin America and the Caribbean, extreme poverty indicators fell back two decades. Moreover, compared to the EU, the economic effects are similar, but the EU's recovery will be much faster than the recovery of LAC. Indeed, as highlighted by the speaker, and according to the latest available data, it seems that the passive projection is that, if no intervention is taken, the region will not recover per capita output until 2025.

In terms of education, Grynspan stated that there is a devastating picture ahead. According to the studies carried out, the gaps that opened up between the lower and higher income groups reflect the gaps that existed in 1960. Therefore, the issue of education is becoming an emergency for the entire region.

With regard to economic issues, LAC lost much of its business fabric. According to ECLAC, 2.7 million businesses closed in the region, especially micro and small businesses, and this leads to the effects on women. The Secretary stressed that the effects on women were disproportionate not only in LAC, but around the world. Women were affected in terms of greater vulnerability to unemployment, but also in terms of entrepreneurship. In fact, women are the majority owners of micro and small businesses, the most negatively affected by the pandemic.

In addition, gender-based violence has also grown. With regard to the issue of work-family reconciliation, the speaker warned that – according to the latest numbers – a third of women who were in formal work will not be able to return to their jobs unless the issue of family reconciliation and care is resolved, which again fell disproportionately on women. Another aggravating factor is that very few women are currently sitting at the tables where public policies are decided, and this can make recovery very complicated.

This panorama is worrying, and that is why we are talking about a "new lost decade" for Latin America in reference to the debt crisis that affected the region during the 80s. In this regard, Rebeca Grynspan asked the following question: what are the elements that could fight this forecast and help the region in its recovery?

According to the Secretary, on this issue, LAC should look very carefully towards the EU, because there are two fundamental international elements that would enable taking advantage of the opportunities that are opening up at this moment in the pandemic. First, the issue of vaccination. LAC received 8% of the vaccines globally, while there are other countries that were able to make contracts that reflect three times what their population needs. According to the speaker, the problem is that, if this is not corrected, the more time passes, the more LAC countries are not going to recover from this crisis because they do not have the vaccines to protect their population. Moreover, while it is true that Europe is a key partner in the COVAX mechanism, it must also be noted that this is still not enough. For example, in a recent G7 statement, countries pledged to send a billion vaccines to the world, but the problem in this case is time. That is, when are these vaccines going to be sent?

The speaker also mentioned the positive example of Spain. In fact, Pedro Sánchez, the President of the Government of Spain, committed, during the Ibero-American Summit in Andorra in 2021, to send more than 7 million vaccines to Latin America through the COVAX mechanism, once 50% of the Spanish population is vaccinated. Something that is about to begin, because 48% of the Spanish population is already vaccinated. According to the speaker, this is the most important thing, that the vaccines start being sent. So, the call, according to Grynspan, is for the European Union to emulate Spain, that is, for EU countries to start sending vaccines immediately at the same time that they proceed with the vaccination of their population.

The second point is the issue of financing. The Secretary drew attention to the fact that Latin America, unlike the EU, does not have a reserve currency. This implies that the central banks of Latin American countries cannot do the same as the European Central Bank does, and therefore new financing mechanisms are needed. In addition, institutions such as the International Monetary Fund (IMF) and the World Bank (WB) need to have new instruments and possibilities not only for low-income countries, but also for middle-income countries. In fact, according to the speaker, all middle-income countries need financing to recover from this crisis and to be able to invest not only in the health and social protection system, but also in the green and blue transition, in digitalisation, in education, science and technology.

In conclusion, Rebeca Grynspan said that the main objectives of LAC should be: first, to fight the excess of poverty and inequality that affects the region; second, to combat informality in labour markets; and third, to move to new social pacts that establish a new form of coexistence in the region. The speaker stressed that, without the two elements mentioned above, vaccines and funding, these objectives will not be achieved. In this regard, the EU should play a key role in preventing conditions at global level from worsening. Finally, the Secretary recalled again that when the debt crisis began in Latin America in the 80s, it was said that without the international mechanisms that gave an answer, the region would lose a decade. Finally, help arrived, but nine years late. So, the region really lost a decade, and this cannot happen again. The EU therefore plays a fundamental role in building a world of co-responsibility and strengthening multilateralism.

## PANEL 1

---

### THE POLITICAL ECONOMY OF THE PANDEMIC: GLOBAL RECESSION, DEBT, EFFECTS ON SOCIAL AND PUBLIC POLICIES OF THE TWO REGIONS

**Luis Felipe López Calva** | Regional Director for Latin America and the Caribbean - UNDP

During his presentation, Dr Luis Felipe López Calva shared a complete vision of the context and joint challenges between the European Union and Latin America and the Caribbean. First, Dr Lopez conducted a comparative analysis of countries based on income

rankings, noting that these are mostly upper-middle-income countries. Moreover, in LAC, for example, countries such as Panama, Chile and Uruguay have managed to escape the upper-middle-income trap and position themselves as high-income countries. Analysing then the income level of the broad group of countries, it is evident to see the high inequality rates present in LAC, even when compared with countries with a similar Gross Domestic Product (GDP) such as Bulgaria, the most unequal country in the EU. This excess of inequality also has implications for how to deal with the recovery in the region.

Furthermore, according to Dr López, the fragility or vulnerability index involves institutional issues and potential reversals in certain dimensions and reflects an overlap of risks of institutional reversals in EU countries. Even so, higher vulnerability rates are evident in LAC.

While it is clear that the Covid-19 pandemic has affected all regions, LAC has been the most affected region in the world. However, Dr López stressed that in general terms the effect of the pandemic has been particularly strong in middle-, upper-middle- and high-income countries. In this sense, Latin America and Europe share the fact that they have been the regions most affected by the pandemic. By way of illustration, among the 20 countries with the highest number of deaths from Covid-19, 7 countries are from LAC and 8 from the EU. LAC, for its part, remains the epicentre of the pandemic. According to Dr López, vaccination covers 17% in the region. In countries such as Chile and Uruguay, vaccination advanced very quickly, as well as in Mexico and some Caribbean countries that have advanced in the same way. But the vast majority of countries remain behind, hence the importance of promoting comprehensive vaccination, because according to scientists a moderately vaccinated population can become more dangerous than an unvaccinated one in view of the variations of the virus.

Additionally, the economic shock has been very pronounced in both regions and the recovery remains uncertain. Both regions have been considerably impacted in sectors such as health. However, there are marked differences between the regions, especially in the economic area and the structural part. Despite having very different income levels, both regions have had performances of very low growth and productivity problems, which require public action. LAC's productivity is even lower than that of the EU. In addition, LAC entered the crisis with high rates of inequality and institutional vulnerability, which hinders recovery and deepens these problems.

Moreover, Dr López compared the size of the middle class as another structural aspect that affects economic development. The middle class in LAC is made up of 40% of the population, i.e., the majority of the region's population is vulnerable, while in the EU 90% of the population is between the middle and upper classes. However, there has been a growing vulnerability of the European middle class, which is reflected in a change in the curve of the relationship between the probability of falling into vulnerability or poverty regarding income. In other words, today higher income is required to have the same probability of falling into vulnerability as ten or 15 years ago. In addition, elements such as the possession of assets have been difficult for this class in Europe, a situation similar to that of LAC, where poverty has also been growing due to the pandemic.

Dr López then indicated the little redistribution that occurs through the tax system in LAC unlike in Europe. Moreover, the change in the Gini coefficient, pre and post taxes and

transfers, i.e., after the redistribution of taxes and transfers in LAC countries, reflects a relatively small variation compared to the variation of this indicator in the EU and OECD countries. On this, Dr López pointed out that it is not because of a lower capacity, but that in fact there is a lower redistribution in LAC.

Furthermore, Dr Lopez made an in-depth presentation of the traps of low growth, low productivity, and high inequality that LAC finds itself in. These traps are reinforced by the accumulation of income and wealth that leads, in turn, to the concentration of the power of influence over policies, to the redistribution of power in favour of some groups, to the blockade of competition and to the reinforcement of systemic violence in LAC, which is already the most violent region in the world and where more than a third of the worldwide deaths occur annually.

Then, Dr López mentioned that there are elements of response and public policies that try to address this situation in a partial and not systemic way, and that this deepens the problems of informality and low productivity in the region. In this regard, he drew attention to the UNDP Regional Human Development Report 2021 for Latin America and the Caribbean, where these problems are analysed with clear evidence and from a microeconomic and public perspective describing the problem, its causes and possible entry points to deal with it in a comprehensive manner. According to Dr López, the situation in the region is directly related to an institutional and governance issue, where the pandemic also reinforced systematic crises related to the fiscal sphere, trust in institutions, the ability to deliver vaccines and the ability to generate a health system that grants much greater access and quality. LAC is the region where the indicator of trust in institutions has fallen the most and where the public integrity index, that is, the ability to control corruption, is higher compared to other regions. This distrust of institutions represents an additional feature of difficulty in mitigating the pandemic. In Chile, for example, one of the countries in the region that had rapid and greater access to the vaccine, there are high rates of unvaccinated people, which reflects, in addition to other factors, the lack of confidence of the population in the system and in the information provided by the system.

Moreover, according to Dr López, political polarisation has gradually grown in LAC since 2015, until, as of 2019, there were a series of social protests in different countries of the region. In addition, the Covid-19 pandemic, and the economic crisis that goes with it, has generated many tensions, for example, regarding the redistribution of resources or the unmet needs of the most excluded groups, increasing in turn the risk of strikes, riots and civil commotion. For these reasons, it is necessary to process these tensions in a way that leads to less inequality and greater growth and social cohesion.

Next, Dr López reflected on the aspects in which improvement is needed to process social tensions and promote an inclusive recovery:

1. Increased capacity of governments to procure and distribute vaccines as a starting point for recovery.
2. Development of fiscal space and access to financing. The International Monetary Fund (IMF), for example, is developing concrete answers to the question of how to make special drawing rights, such as liquidity, usable in public policies and benefit countries that usually do not have access to these mechanisms or those that urgently need them.

3. The recovery of employment through the increase in private investment.
4. Creating conditions and strengthening the capacity of the State to provide basic social services in a universal manner, which in turn allows policies to be given credibility.
5. The need to immediately restart the education system.
6. Capacity of the State to generate trust and new social agreements.

On the other hand, Dr López also compared the response capacities of both regions in the face of the pandemic. In 2020, LAC disposed on average of 20% of GDP, or about 228 billion USD, for the response to the pandemic, this when LAC has had access annually to approximately 60 billion USD in the markets, and even with the special drawing rights the amounts are similar. While the EU had 750 billion euros for its recovery, which reflects the financing gap between the two regions.

Additionally, according to Dr López, micro, small and medium-sized businesses (MSMEs) represent a significant part of employment both in LAC (99.5%) and in the EU (99%). For this reason, the recovery must be through the private sector at all levels. However, LAC faces structural constraints that hinder this recovery due, in particular, to the high number of companies with low productivity, which generate the highest employment and with high rates of informality. In addition, it is more difficult to inject liquidity and encourage the recovery of employment in economies that have relatively low financial intermediation. In LAC the level is 47% while in the EU it is 95%, which reflects, in turn, the difference in the ability of monetary policy to inject liquidity and dynamism into the economy. Likewise, the reactivation of education also boosts economic activity. In LAC, nearly 150 million children have been out of school. This implies, according to the World Bank, approximately 1.7 trillion USD in economic losses.

Furthermore, according to Dr López, the recovery will depend on the quality or cycle of governance that exists in the region. At present, agreements and public policies do not necessarily generate growth, but rather foster inequality and conflict and distribute de facto power, that is, the accumulation of power in groups with greater influence and the rules or cycle of norms that distribute power de jure. It is then in this arena of negotiation between the different actors where the asymmetries of power can be influenced and changed, including other actors that contribute new ideas of policies and rules. According to Dr López, we must break the cycle of exclusion that feeds back weak governance, diminishes credibility in institutions and generates, in turn, radicalism and polarisation.

Finally, it is necessary to take advantage of the situation generated by the pandemic as an opportunity to strengthen governance. In this sense, we must act on public policies by designing programmes that work, based on evidence, and act on the rules, defining the institutional forms that have generated improvements. The EU, for example, aligns the rules of countries with those that have achieved results, which gives it capacity, commitment and credibility. For this, effective governance must be strengthened by generating:

- Opportunities for changes in the field of public policies;
- Opportunities for game changes;
- Opportunities for change in the actors involved in the political arena.



That said, the quality of the recovery depends largely on three governance factors:

1. Capacity of the State;
2. Social trust;
3. Political leadership.

## COMMENTS TO THE PRESENTATION OF LUIS FELIPE LÓPEZ CALVA

**Sebastián Rovira** | ECLAC Economic Affairs Officer

Sebastián Rovira opened his speech with a question: "How do we think about strengthening the spaces for cooperation, both between LAC and the EU, and between the countries of the region?" To answer this question, Rovira started from a reflection on the so-called "paradox of recovery". That is, to return to taking paths of growth that actually lead to growth that is not sustainable. In fact, according to Rovira there is a risk of returning to the mediocre trajectories of previous periods.

In this sense, one issue worth dwelling on is insufficient investment. Sebastián Rovira stressed that 17% of GDP is currently being invested, when in reality countries in transition to development should be investing 30% to generate employment, increase added value and reduce the structural gaps that exist both between LAC countries and developed countries, and within Latin American and Caribbean economies. To be more sustainable and inclusive, the new growth strategies must promote strategic axes that allow reducing inequalities between the groups that were most affected by the pandemic, especially women, schoolchildren and older adults.

According to Rovira, in order to think about the areas of action, as a result of the pandemic, the need to think about multidimensional development measures became very evident. This implies going much further than per capita income, which is considered an insufficient measure to assess development progress, towards new indicators such as well-being and the sustainability of growth and development processes. In this regard, from the academy and from the different institutions, the work that can be done to think about these new indicators is very important.

Subsequently, Sebastián Rovira highlighted that fragility can be different depending on each country. In fact, some countries may be more fragile in the economic area, others in the social area, others in the environmental or sustainability area, others in the institutional area. Then, Rovira asked: "Why is it important to rethink development measures?"

The answer is that the relevance lies in the fact that on the basis of these measures the financial resources and funds of international cooperation are allocated. Normally, when an institution classifies countries according to income levels, that is what fund allocations or official aid to countries are defined around, and what is clear is that it is very important to go beyond per capita income. Therefore, these new indicators should be aligned with the 2030 Agenda and the SDGs. According to Rovira, a series of indicators must be considered to evaluate progress towards sustainable development and thus be able to define new forms of cooperation and strategic alliances.

In the opinion of Sebastián Rovira, development in transition is nothing more than an analytical framework that incorporates different measurements and that allows to highlight the relevance of the four traps of development and the link between them, that is:

1. **Productive vulnerability:** in the sense that low levels of productivity are related to a poorly diversified structure, with exports with very low sophistication; where there is little integration of value chains and SMEs have a productivity very far from that of larger companies;
2. **Social vulnerability:** in the sense that middle class are very vulnerable; levels of labour informality are very high; income and savings are very volatile; there is little training and low productivity;
3. **Institutional vulnerability:** in the very well delineated sense of the previous speaker, Dr López Calva; where there is a low perception about the efficiency and effectiveness of institutions, these are not very credible and therefore a low tax morale
4. **Environmental vulnerability:** in the sense that production patterns are very intensive in the use of carbon and the depletion of natural resources, with a productive structure with low technological intensity. On the other hand, the high degree of vulnerability to the effects of climate change of the economies of the Caribbean and Central America is highlighted.

Sebastián Rovira explained that the link between these four development traps is that situations are reached in which, although income levels can be improved, it is not possible to build a resilient and inclusive society, and that vicious circles are generated from where it is difficult to get out.

To the question of how to insert oneself in a world characterised by certain global trends, Rovira first specified that the most relevant trends are the following:

- A climate change of very high impact;
- A very evident demographic change;
- Digital transformation (underlining that 20-30% of the Latin America population is not connected, and therefore cannot make use of digital technologies that would allow them to maintain a level of activity or distance education);
- Geopolitics.

In this context, it is necessary to strengthen the elements of cooperation not only at the level of political dialogue but also at the level of technical dialogue. According to Rovira, it is time to reflect on the new forms of cooperation between the EU and LAC to emerge stronger from this pandemic. Therefore, it is necessary to develop a type of cooperation that addresses cross-cutting issues, such as: the care economy; the circular economy; the management capacity for policy formulation and implementation; the generation of global and regional public goods; access to knowledge and technologies; renewable energies; electromobility; digitalisation; the health industry; the bioeconomy; among others.

The objective is to understand (1) how to raise the capacities of LAC countries in several of these aspects, but also to move towards new sectors that link technology and innovation with inclusion and sustainability, and (2) how to include financing, blending and debt swap tools and instruments that reduce financial vulnerability, expand fiscal space and

generate new policies for more inclusive and sustainable development.

Sebastián Rovira concluded by appealing to the EU to:

- Maintain and strengthen spaces for dialogue with LAC countries to understand what their real needs are;
- Be more flexible in responding to uncertainties in global and regional contexts, and acknowledge the commitment and full participation of developing countries in transition;
- Promote south-south and triangular cooperation spaces;
- Support the countries of the region to improve access to development finance for all countries and recognise this regional perspective for which strengthening cooperation is key.

**Marcela Meléndez** | Chief Economist for Latin America and the Caribbean - UNDP

The speaker started from the question: "What financial instruments would be appropriate or could be put in place from the EU to contribute more effectively to the recovery of Latin America?" One of the challenges facing LAC right now is the private sector, which has debts entangled with its countries' financial sector. An example in this regard would be the tourism sector. One way of help that would be very effective would be to be able to help restructure the debt of this private sector.

In addition, the speaker of this Panel explained that in LAC the recovery will be at a different pace than elsewhere because the vaccination roll out is progressing at a slower pace. Consequently, economic activity in the region is rising due to the disasters associated with the pandemic, disasters that are very evident, for example, in the productive sector, characterised by high levels of self-employment and small businesses. Specifically, between small and large firms are medium-sized firms, and any financial instrument that directly helps this medium-sized productive sector would be a very effective way of help.

Marcela Meléndez also stressed that, in order to promote the recovery of LAC, it would be necessary to develop long-term financing from the multilateral level at a reasonable cost and with a grace period.

"What agencies have already been appointed from LAC to deal with this over-dependence on developed countries? To what extent are these ideas beginning to materialise or are they still in the phase of discussion?" In the opinion of Marcela Meléndez, it is very difficult to pretend that in the context of the pandemic, problems that are structural are fixed. In fact, there are some problems that existed before the pandemic, that were magnified during the pandemic and that are going to be there afterwards. One of them is the insufficiency in the field of own financing, that is, the fiscal capacity of the countries. Meléndez emphasised that this is a long-term challenge, in fact, most LAC countries do not have the resources to defend their economies and people. Meléndez explained that independence from the developed world is associated with economies that grow well and raise well in order to finance development spending. That is why the issue of fiscal capacity is a long-term challenge.

The LAC countries are making a gigantic effort to try to defend what remains of the productive fabric. Some more quickly than others. In this sense, the issue of promoting vaccination is vital and if the EU wants to help the region it has to help above all and first to get vaccination flowing everywhere because access is still very unequal. In fact, when the issue of vaccines is resolved, it will be possible to think about how to help, but the first policy of economic reactivation is to vaccinate the population.

Faced with the following questions posed: "Are regional integration efforts being relaunched due to the pandemic? What if it is not integration as such, at least a regional dialogue is taking place to be able to move towards a transformative and sustainable recovery?", Marcela Meléndez replied that there are some examples of trade integration that worked well and where the intention of the countries involved to work together is clear. At the moment it is still very difficult to think of integration beyond the trade integration that already exists. The reason is that the countries of the region are experiencing their own problems in a very intense way, and this means that the focus has to be on solving internal problems first before entering into new forms of integration.

At the level of trade integration there is, for example, Mercosur, and there is also subregional integration in international trade issues. Meléndez said that this is a start, but the ideal for the region would be to move towards greater integration in other areas. However, this will be possible only when countries have more stable economies and institutions.

## PANEL 2

---

### VACCINES AND HEALTH SYSTEMS

**Óscar Darío Pérez Pineda** | Co-President of the Euro-Latin American Parliamentary Assembly

Óscar Darío Pérez offered an overview of the situation in LAC on the process of vaccination against Covid-19 and the strengthening of bi-regional cooperation. According to Pérez, the health crisis generated by Covid-19 implied different health, economic, political and social challenges for countries around the world. In addition, governments and the general population had to change their priorities and focus on the prevention and mitigation of the virus.

Pérez stressed that, as of 18 July 2021, there are around 187.8 million confirmed cases of Covid-19 in the world and 4 million related deaths. In the Americas, 1,944,777 people died and 1,320,507 of those deaths occurred in LAC.

Regarding the economic situation in LAC, the speaker of this panel showed that, according to ECLAC, before the pandemic, the region's economy already showed low growth, close to 0.3%, in the period 2014-2019. In 2019, even without a pandemic, it only grew by 0.1%. Part of the explanation is that LAC is a region that survives exporting commodities, and commodity prices fell, especially oil that reached a 24% reduction at the beginning of 2020.

After the COVID-19 outbreak, the speaker explained, physical distancing measures, lockdowns and closure of most productive activities led to a social, economic and productive crisis. This, in turn, led to an economic contraction of 6.8% in 2020. Consequently, the extreme poverty rate reached 12.5% and the poverty rate 33.7%. The International Labour Organisation (ILO) announced an all-time high of 41 million unemployed in LAC. According to the World Trade Organisation (WTO), world trade had a fall of 9.2% for 2020. Specifically, LAC exports declined at an approximate annual rate of 3.2% in 2020 after falling 2.2% in 2019.

With regard to the situation in LAC on the vaccination processes, Mr Pérez first clarified how the Global Access mechanism to Covid-19 Vaccines - COVAX works. The COVAX mechanism is one of the main actions promoted since 2020 for the search, joint acquisition, and equitable distribution of vaccines. This mechanism is co-directed by WHO, CEPI, GAVI, and UNICEF, key implementing partners. In the Americas, 36 countries joined this initiative with the purpose of accessing different vaccines that contribute to achieving herd immunity.

Subsequently, Pérez stressed that LAC countries present different challenges in the face of the equitable acquisition and distribution of vaccines. WHO, to date, delivered more than 21 million doses to 31 countries in the region through the COVAX mechanism. Still, only about 11% of the total population have completed their vaccination schedule, and some countries were still unable to vaccinate more than 1% of their inhabitants. Among the countries that stand out for presenting greater advances in vaccination processes in the region, considering the proportion of their population, as of 13 July were:

- Chile with 58.8% of the population fully vaccinated
- Uruguay with 55.3%
- Dominican Republic with 32.3%
- El Salvador with 19.3%
- Colombia with 17.5%
- Costa Rica with 15.9%
- Mexico with 15.9%
- Cuba with 15.5%
- Panama with 13.6%
- Brazil with 13.5%

Other countries that continue to make progress are

- Argentina with 11% of the population fully vaccinated
- Peru with 10.8%
- Ecuador with 9.4%
- Suriname with 6.9%
- Bolivia with 6.6%

Other states present greater challenges to move forward with vaccination such as:

- Paraguay with 2.7%
- Guatemala with 1%
- Honduras with 0.7%
- Venezuela with 0.7% of people fully vaccinated

Finally, Óscar Darío Pérez took as examples of successful vaccination processes the cases of Chile, Uruguay and Colombia:

**Vaccination process in Chile:** Pérez reported that according to the speaker of the first panel of that day, Luis Felipe López-Calva, there are three criteria that make a vaccination campaign successful, which Chile meets very well:

- Having the financial resources to acquire the vaccines.
- Having a good strategy to carry out the distribution of vaccines.
- Having the institutional capacity and governmental structure to implement such a strategy.

Pérez also highlighted other reasons:

- The advance purchase of vaccines and diversification of these. Chile has the income to make these purchases, as it has the highest GDP per capita in the Andean region.
- Chile has a robust primary care network that has experience in the logistics of the annual vaccination campaigns that have been carried out since 1978. Primary care services have direct contact with the population of the territories and are therefore closer to the places where the population lives.
- In addition to having the institutional capacity in terms of primary health centres (surgeries, hospitals, and clinics), strategies were also established for an efficient use of existing material and human resources that accelerate the pace of vaccination.

According to Mr Pérez, the result of Chile's vaccination strategy is that it is the country in the region that made the most progress in immunising the population against Covid-19.

**Vaccination process in Uruguay:** Pérez reported that the Uruguayan Vaccination Plan was designed to attend, in the first place, to medical staff and those over 70 years of age. Mass vaccination centres were also opened, extra staff training was organised and plans such as the "People to People" campaign were designed to reach 17 departments and 318 localities, supplying more than 60,000 doses to people with difficulties in accessing vaccines.

**Vaccination process in Colombia:** Pérez reported that Colombia negotiated directly with the pharmaceutical companies the acquisition of vaccines. It also adhered to the COVAX mechanism, gaining access to different types of vaccines to advance the vaccination process. In addition, a strengthening of the technical and logistical aspects was carried out to properly develop the vaccination process. The vaccination process was decentralised in each region of the country and vaccination health staff were trained. In addition, private sector companies were authorised to purchase vaccines for their staff through Resolution No. 507 of 19 April 2021. Through this means, 1.5 million vaccines have been obtained on the part of the private sector.

**Other aspects to highlight in the region:** finally, Pérez reported that in Argentina, since June 2021, the Richmond laboratory began to produce and distribute the Russian vaccine Sputnik V in Latin America. In Cuba, the emergency use of the Abdala vaccine was created and authorised by the Centre for the State Control of Medicines, Equipment and Medical Devices (CECMED) of Cuba. This was the first vaccine developed in Latin America.

Finally, Óscar Darío Pérez addressed the issue of the importance of strengthening cooperation between LAC and the EU to improve vaccination processes against Covid-19 in the region. It identified four axes of cooperation:

1. Ensuring fair and equitable access and distribution of vaccines to LAC must be a priority. The countries of the region must strengthen and intensify vaccination processes so that they are carried out in an organised, safe, effective, timely and equitable manner, promoting the protection of the population against Covid-19. It is also essential to prioritise the most vulnerable population groups.
2. Likewise, it is essential to prioritise public investment to have the relevant resources, as well as to guarantee health care and access to vaccines against Covid-19 and other diseases. Public investment can be prioritised through the following measures: growth of economies; export growth; increase in public debt as a percentage of GDP; increase in public spending to make cash transfers to the poorest populations.
3. It is also important to promote bi-regional scientific-clinical cooperation, through which agreements could be established between the countries of both regions. The purpose would be to achieve the joint development of vaccines against Covid-19 and other diseases, as well as for the production of health inputs and technologies. For example, it was proposed to build a factory for the production of vaccines against Covid-19 in one of the LAC countries – as is being contemplated in Senegal – considering that this region was also one of the most affected by the pandemic. Different benefits and tax incentives could also be promoted to this factory in the country where it is built.
4. It is essential to promote the transfer of technology and the exchange of knowledge and skills, as well as experiences and good practices that, for example, contribute to strengthening the manufacturing and production processes of vaccines against Covid-19. It should also seek to increase the availability of vaccines, lower prices and ensure universal access in LAC. Finally, encourage the donation of surplus vaccines to countries that did not make sufficient progress in the vaccination processes

LAC parliaments spoke clearly on the importance of ensuring fair, equitable, supportive, and transparent access to the Covid-19 vaccine. One of the initiatives they pushed the most was the liberalisation of patents and licensing for humanitarian purposes by the pharmaceutical industries.

To conclude, Óscar Darío Pérez affirmed that it is necessary to promote multilateral solutions with equality and equity, where supranational parliaments can play an important role and articulate the different actions developed by governments to benefit society. Finally, Pérez cited the latest Declaration of the Euro-Latin American Parliamentary Assembly, where it is mentioned that "this is a historic moment that demands a more effective, dynamic and comprehensive bi-regional cooperation to guarantee an efficient vaccination process that, in addition to protecting the life and health of millions of people, allows us to reactivate employment, productivity and international trade as pillars of the economic and social recovery of the region and the whole world".

Javi López evidenced first four elements underlined by the pandemic:

1. The high interdependence in the world.
2. High geopolitical competition, which has been exacerbated during the pandemic.
3. The vulnerability that values universal benefits, that is, the provisions made by the state.
4. The relationship with nature as a source of disruption.

EU-LAC bi-regional relations are therefore essential.

Regarding the vaccination process and its importance in EU-LAC relations, on the one hand López mentioned two successful examples of dialogue: the EU-CELAC Informal Ministerial Meeting held in December 2020 under the Presidency of the Council of the German EU and the Ibero-American Summit held in Andorra in July 2021.

On the other hand, he highlighted the fact that there was a vacuum of political coordination. The Summits of Heads of State and Government between the EU and CELAC have not taken place for five years now, which is to the detriment of bi-regional relations. Therefore, at a time like the present, there is a lack of a space where issues such as the vaccination process could be discussed.

As for the EU vaccination process, López stressed that the numbers indicate that it will be a successful process in time and form. He also stressed that it was a very novel process in terms of European integration because it was decided to buy and distribute the vaccines at the European level, something over which the European Commission has had no competence, and that is why it was novel in terms of integration. This process made it possible to buy vaccines at a good price, avoid wild competition within the EU and export half of the vaccines produced within the EU to more than 100 different countries.

Regarding the debate on patent liberalisation – strongly pushed by LAC countries – López reported that some EU countries are in favour, but that the bottleneck rather lies in production. He then stressed that the EU's participation in global vaccination is done multilaterally and not bilaterally through the COVAX mechanism. The EU, thus underlining its commitment to multilateralism, decided that the space for collaboration at the international level was the mechanism created by the United Nations to make vaccination global. In fact, half of COVAX's resources come from the EU.

It is important that the vaccination process progresses at a good pace and works quickly because, in addition to the health consequences, the pandemic aggravated structural problems such as inequality. In this sense, the vaccination process, as it occurs at different rates, continues to aggravate inequality.

To conclude, Javi López mentioned two issues that should be addressed in the bi-regional EU-LAC relationship:



1. LAC needs more fiscal space. This is a necessity for the vaccine purchase process and to have strong health institutions and universal benefits. Also, beyond the pandemic, to face challenges such as inequality, security, corruption.
2. We should look for solutions in terms of debt.

## COMMENTS ON THE PRESENTATIONS OF JAVI LÓPEZ AND ÓSCAR DARÍO PÉREZ PINERA

**Leire Pajín Iraola** | President of the EU-LAC Foundation

Leire Pajín highlighted the importance of placing access to vaccines as a way out of the pandemic on the bi-regional political agenda and of promoting the debate on the concrete mechanisms necessary for LAC, since, due to their classification as middle-income countries, most of them are excluded from some of the development tools, generating in turn challenges in universal access to health. In addition, according to Pajín, the bi-regional relationship between LAC and the EU will be influenced by how the exit from the pandemic is addressed and how the regions collaborate together to achieve it. That is, the joint solution to the pandemic depends, among other issues, on the international economy, including international trade, human mobility, and bi-regional and international relations in terms of geopolitics.

Likewise, Leire Pajín reiterated what Javi López said: access to vaccines is part of international geopolitics. In this sense, for Pajín the health of relations between the EU and LAC depends on how we are able to weave bi-regional mechanisms of the crisis, and to support a region that suffers consequences and very high numbers of losses. For this, countries in both regions would have to face the following challenges:

1. Promoting access to vaccines at a time when production generates a bottleneck and is preceded by a great debate, since the lack of access exposes the deficits in the production system.
2. Preparedness for response in times of crisis: the SDGs seek to strengthen early detection and emergency response mechanisms, including health emergencies. However, this was one of the goals on which less emphasis had been placed previously, including in the EU. That is why an effort should be made to strengthen these mechanisms. In addition, around this there is still a lot of potential to work in a bi-regional way. For example, the Ibero-American Summit in Andorra approved the creation of an Ibero-American observatory for epidemiological monitoring. Likewise, Pajín emphasised the need for tools that allow the detection, rapid response and monitoring of crises, as well as sharing knowledge on these issues.
3. Inequalities in access to vaccines and the production deficit have highlighted how knowledge and innovation are accessed by low- and middle-income countries. While US President Biden opened a debate on patent flexibility in the event of health emergencies, there is another debate behind it on how to ensure that the knowledge generated is accessible and shared with low- and middle-income countries, and

how to accompany these countries in strengthening their knowledge, research and innovation, as well as production capacities. For this, it is necessary to focus development policies on LAC regions.

Furthermore, Leire Pajín pointed out that the pandemic has also highlighted the value of the public, underlining the formulation of the vaccine in record time, and indicated that this was possible thanks to the cooperation between different knowledge actors and public-private partnerships, that is, the mobilisation of public resources through the advance purchase from the private sectors which allowed the successful result of the vaccines. In this vein, Pajín suggested that emphasis should be placed on measuring public investment – not spending – and return on investment, and managing public-private contracts with greater transparency, as this generates greater confidence in countries that are fundamentally investing, guaranteeing the production of vaccines and investing in multilateral mechanisms for their distribution.

On the other hand, Leire Pajín said that vaccination does not imply the end of the pandemic. In LAC in particular there are several challenges to face in terms of strengthening public health systems, primary care and epidemiological surveillance, as well as awareness campaigns for citizens.

## 2. Second Day

TUESDAY, 20 JULY 2021, 4 P.M. – 7.30 P.M. (CEST)

# DEMOCRACY, HUMAN RIGHTS AND RENEWAL OF THE SOCIAL CONTRACT

**CAMPUS YUSTE**  
(ONLINE - 2021)

**LAS RELACIONES UNIÓN EUROPEA-AMÉRICA LATINA Y EL CARIBE: UNA AGENDA RENOVADA Y UN PROGRAMA PARA LA RECUPERACIÓN EN EL MARCO DE LOS ODS**

**Día 20 de julio**

**LORENA CHANO REGAÑA**  
Profesora de Derecho Constitucional de la Universidad de Extremadura

**ERIKA RUIZ SANDOVAL**  
Profesora del CIDE

**CHRISTIAN VIERA ÁLVAREZ**  
Profesor titular de la Escuela de Derecho de la Universidad de Valparaíso (Chile)

**MIRTHA PATRICIA LINARES PRIETO**  
Magistrada de la Sección de Apelación de la Jurisdicción especial para la Paz. Tribunal de Justicia Transicional del Acuerdo Final de Paz (Colombia)

**LUIS GUILLERMO SOLÍS RIVERA**  
Director & Professor Kimberly Green Latin American and Caribbean Center. Expresidente de Costa Rica

**LUIS ARMANDO TOLOSA VILLABONA**  
Magistrado de la Corte Suprema de Justicia de Colombia

**ALICIA LISSIDINI**  
Profesora titular en la Escuela de Política y Gobierno de la Universidad Nacional de San Martín, Argentina

### INTRODUCTION:

## DEMOCRACY, HUMAN RIGHTS AND RENEWAL OF THE SOCIAL CONTRACT

**Lorena Chano Regaña** | Professor of Constitutional Law at the University of Extremadura

At the beginning of her speech, Professor Lorena Chano Regaña emphasised the purpose of this summer course as putting on the table the common challenges between the EU and LAC, from which we need to start to face the health emergency situation generated by Covid-19. According to Prof. Chano, the pandemic has shown that the world is one, and that is why we must face problems and challenges from a common front.

Likewise, and focusing on the challenges that democracy faces in the same way, Prof. Chano indicated that the pandemic has also highlighted inequalities, has aggravated and deepened poverty and inequality and has generated greater polarisation around political ideologies, affecting the democratic reconstruction and social fabric. She also stressed the need to start from village and community in the territory - and then become a State; referring not to an isolated State, but to a State that cooperates and works with other States, both the closest ones and those on the other side of the Atlantic.

According to Prof. Chano, only through the implementation of public policies by international organisations and by States that seek to create bridges and that impose the principle of cooperation and solidarity can today's challenges be met. The crisis generated by the pandemic has undoubtedly aggravated the pre-existing scenarios and contexts in different countries, but especially in LAC, where it has deepened the gap of poverty and inequality. Following this, the professor drew attention to the common phrase that the virus has affected us all equally, however, she stressed that statistically the virus has affected population sectors in a diverse way, affecting to a greater extent the poorest, since these sectors, in addition to the virus, face the economic and social consequences of the pandemic.

Introducing the theme of the day, Prof. Chano raised the debate on the challenges that must be faced in democracy, that is, the need for democratic regeneration, the renewal of the social contract and the creation of a greater social fabric, as well as the need to solve the problems faced by States within a global world in which they must cooperate. Lorena Chano indicated that on the second day of the summer course, the challenges of Democracy, the Future and the Rule of Law would be analysed, and, secondly, Human Rights, with special emphasis on inequity, inequality and populism and its consequences in certain Latin American countries. Finally, she stressed the important presence and diversity of the speakers of the session, who come from academia as well as the public and political sector. She also highlighted the presence of speakers representing the three branches: executive, legislative and judicial, so the vision and perspective regarding the problems and needs of democracy would be broad, given that contributions were going to be made from different points of view and regarding what happens in different countries in terms of inequity, of inequality and the constructive social need of the social fabric.

## PANEL 1

---

### THE CHALLENGES OF DEMOCRACY AND THE RULE OF LAW

**Erika Ruiz Sandoval** | Professor at the Centre for Economic Research and Teaching of the Division of International Studies in Mexico (CIDE)

Professor Erika Ruiz Sandoval started by clarifying that it is urgent that LAC receive aid from the EU to be able to get out of this collection of unfortunate circumstances caused by the pandemic. The professor wrote her speech around nine points:

#### 1. Democratic disaffection and social protests

The speaker emphasised that the indices on democratic disaffection in LAC are not a product of the pandemic but have been manifesting themselves since at least 2016. To a large extent, these are the product of an economic stagnation that began in 2012 and that led to the point of having as symptoms of this decline that 40% of Latin Americans in 2019 said they did not have enough money to get a home. This is related to democracy because to a large extent the disenchantment with democracy has to do with the fact that it does not provide clear and effective answers to the demands of the population.

According to Erika Ruiz Sandoval, much of the responsibility for this disenchantment

with democracy emerges from the parties and the political class of the LAC countries. Looking at the latest figures from the Latinobarómetro (2018), respondents who support democracy the most are to be found among those who have lost it, or those who have acceptable levels of democracy and where institutions work well in relative terms, as in Costa Rica or Uruguay.

As the speaker mentioned, 2019 was a year of social protests, it was even said that it was a "Latin American spring". What this wave of protests showed was that popular discontent has nothing to do with territories or ideologies, but with a political, economic and social system that is incapable to respond to the aspirations of citizens, which in many cases in LAC are as modest as simply wanting to survive. Consequently, what occurred is distrust and discontent with government policies, either due to actions or lack of actions to solve the challenges that affect the region. In addition, many of these protests were suppressed by state repression. This leads to questioning whether people in LAC are really in a position to go out and freely express their opinion when institutional channels do not do what they have to do.

## **2. The State of Democracy in 2021**

According to the Global Democracy Index 2020, institutions were gradually undermined. The professor stressed that the executives are attacking the other powers, the autonomous bodies and also civil society are being attacked. The Index qualifies as "full democracies" only three in the region: Uruguay, Chile and Costa Rica. The scope of civil liberties and political rights is also limited in the region.

Ruiz Sandoval also stressed that in LAC, when talking about democracy, the reference is often to "electoral democracy", focused on maintaining the ritual of elections. However, sometimes elections serve more as a pretext to affirm that the norms of democracy are being followed, while behind the ballot box political actors are dividing and politicising the population.

## **3. Inequalities**

In the speaker's view, the elements that prevent full democracy from being achieved in most LAC countries are inequalities. The inequality of all kinds that characterises the region produces fractured societies prone to polarisation. Also, these inequalities influence Latin Americans' perception of justice. According to a recent survey, only 15% of the Latin American population considers the distribution of income to be fair.

In general, in everyday life Latin America lacks the idea of social issue, which is why it is difficult to discuss this issue with the EU. For example, while negotiating the modernisation of the EU-Mexico agreement, part of the discussion with the EU was about why Mexico asks for development cooperation if it is a G20 country. Mexico has 50 million poor people, a figure that indicates that Mexico does not redistribute income among its population as it should.

Regarding social mobility, the professor asked how it is possible to plan future prospects in LAC if, on average, it takes nine generations in Brazil and eleven in Colombia to reach the step of the middle class. Consequently, it is not surprising that there was a profound shift in the scale of values among the region's youth, making them so vulnerable to the temptations that illicit activities bring.

As for inequalities: the richest 1% of Latin Americans and Caribbeans have 21% of all income, the richest 10% of the population earns 22 times more than the poorest 10%. In addition, the GINI coefficient in LAC is 46%. Under these conditions, the professor stressed, it is difficult to talk about democracy and equity. That is why it is true that GDP per capita is not an adequate measure to reflect the realities of LAC.

Another symptom of inequality affecting the region is the informal sector. In fact, in LAC, 50% of the working population is working in the informal sector. These men and women do not have social protection coverage, and this became evident during the pandemic.

As for gender, there is no parity other than on the surface. Although there are women ministers, judges, senators and deputies, the wage gap, and the disproportionate burden on Latin American women in care tasks are not resolved. Nor is it reflected in the vulnerability they have in formal and informal employment. In LAC, cases continue to be reported where pregnancy tests are requested before a woman is offered a job or that only the costs of childcare are charged to women, as if men had no involvement in the upbringing and education of their children.

#### **4. Corruption and impunity**

Corruption is a system in LAC that permeates all strata of society. In the case of impunity, there are such high levels that it is difficult to speak of a rule of law or an effective judicial system, according to the speaker.

#### **5. With fear there is no democracy**

Fear and democracy are like "water and oil," the speaker argued. In a way, freedoms are de facto cancelled when, for example, people cannot walk at 2 a.m. through the streets of some LAC cities without being afraid of something happening. So, according to the professor, it is difficult to talk about democracy in these circumstances.

Levels of violence against women remain highly worrying across the region and were exacerbated during the pandemic. Human rights defenders also remain at risk as they expose crimes or violations of the rights of private and public actors.

The speaker stressed that another scourge in the region would be criminal groups that sometimes control entire territories. During the pandemic, in some regions it was criminal groups that maintained "order" by imposing quarantine, curfews, states of emergency and those who were responsible for distributing food and medicine in territories no longer controlled by the state.

Another element to consider is the role of the army. In the context of high levels of public insecurity, the use of the army has been chosen in some cases to fulfil a role that would usually correspond to other public entities. According to Ruiz, this practice has not been able to solve problems such as criminality or public insecurity. What has been achieved, rather, was to put the institution in a very critical light. The professor explained that this happens because soldiers and sailors are trained to fight against an external enemy in situations of violent conflicts, but not against society itself, and in that sense the number of human rights violations has been worrying.

#### **6. Media and networks (fundamental elements to talk about democracy)**

On the subject of freedom of the press, the speaker presented the following equation: more democracy - more freedom of the press; less democracy - less freedom of the press. In addition, the professor highlighted that there was a high number of murders against journalists covering the following topics: organised crime, politics, corruption, and local affairs. Meanwhile, during the pandemic, social networks have been widely used in LAC. This on the one hand is good because it allows the population to communicate more and better, but, on the other hand, it also allows to spread disinformation.

#### **7. The region in its "labyrinth" (what is being done within the region to try to mitigate these negative circumstances)**

Erika Ruiz Sandoval explained that the term labyrinth refers to the following questions: what do we have in LAC to deal with this? What are countries doing for each other?

According to the speaker, very little is being done. For example, from her perspective, the OAS is depleted and CELAC does not reach consensus because Latin American countries are closely linked to the principle of non-intervention and non-interference in internal affairs. Thus, the region does not seem to be perceived as a region. According to the speaker, one of the explanations for the very low degree of integration in LAC is that the value that prevails in societies is sovereignty. This is related to the fact that many consider the region's greatest historical achievement to have achieved independence.

#### **8. Pandemic shock (the pandemic magnified many things that were already happening in LAC)**

With the pandemic, the levels of poverty and extreme poverty in the region increased, and this is going to have consequences and political effects. In addition, according to the speaker, it makes populations vulnerable to populism because in this situation easy solutions to complex problems sound very attractive.

In addition, another issue that should be of concern is the issue of the middle class. Already some years ago in LAC there was talk that large groups of the population joined the middle class, but these brutal distinctions are made between the upper-middle class, the middle-middle class, and the lower middle class. From Ruiz Sandoval's perspective, these denominations turn out to be a euphemism because groups of people are being called "middle class" solely because of their income level, but not because of their political culture, and in that sense, it does not have the desired effects on democratic regimes. However, the speaker stressed that it is precisely the middle class that is relevant to democracy. According to her analysis, the great Latin American elites "dance to the music played to them" as long as they make a profit. On the other hand, the poorest wake up every day worrying about how to survive, so going to vote is not a priority. Therefore, it is the middle classes that need to be strengthened to improve democracy in LAC.

#### **9. A note on "techno populism"**

It is an interesting concept to understand the region. LAC oscillates between, on the one hand, the technocrats who govern claiming to have the absolute truth because they are in possession of technical knowledge and, on the other hand, a rise of populists who declare themselves representatives of the people. It is interesting to understand that these groups are not opposites, but that both produce the same effect, that is, to be against politics per se.

To conclude, Erika Ruiz Sandoval said that it is necessary to take care of democracy in spite of everything, but in order to do so, cooperation with other regions is necessary. LAC needs cooperation with the EU and, from its perspective, it is important that the EU does not classify LAC exclusively as "developing countries in transition", "middle-income countries", "democratic countries", etc., because the reality is much more complex.

## **COMMENTS TO THE PRESENTATION OF ERIKA RUIZ SANDOVAL**

**Christian Viera Álvarez** | Professor at the School of Law of the University of Valparaíso (Chile)

Professor Christian Viera began his speech by introducing the idea of "The Engine Room" by the Argentine jurist Roberto Gargarella, focusing it on the economic constitution, since, according to him, it is in that dimension where the main economic problems for the Chilean

case are found. It should be noted that in Chile a Constituent Convention is currently being held as a result of a powerful social mobilisation that originated on 18 October 2019 and that generated a strong political crisis that has not yet been resolved. Additionally, and like the rest of the world, Chile has also experienced an economic crisis as a result of the Covid-19 pandemic that has allowed it to realise the effects of a development model that is related to the economic constitution and that has significantly aggravated this economic crisis, which mainly affects the middle sectors of the population.

With the idea of Gargarella's "The Engine Room", which refers to the centre of power and command on a ship, the author performs a diagnosis for Latin America: the demands of workers enter through the "door" of rights and not through modifications in the organisation of power. The latter seemed immune to political-social developments because "the architects of the liberal-conservative pact" did not hesitate to ensure the validity of the most precious right, the right to property, and for this it was necessary to introduce modifications within "The Engine Room" and with the "doors to the engine room" closed under lock for 200 years.

Following this line, according to Dr Viera, today in Chile there is an attempt to install "locks" to this engine room, that is, to implement certain concepts that aim to change the centre of the Chilean Economic Constitution. These are:

Greater efficiency of the State over greater role of the State and state modernisation: with respect to this, historically Chile has implemented neoliberal postulates strictly until the beginning of the protests in 2019. By way of illustration, the average social expenditure of OECD countries is equivalent to 20%, in Chile half of the global average is spent. In terms of health, 1.7%, while for primary, secondary, and tertiary education, the financing of education comes mainly from family spending or debt; 70% of spending on university education is also borne by families or through debt. According to Viera, in Chile education is not perceived as a social right but as a consumer good that is traded in the market. And in this sense, the market order regulates all coexistence in the country. Likewise, the Gini coefficient in Chile shows the inequality of the country, where in addition taxes are not correcting this inequality: before tax the Gini is 0.5 and after taxes it is 0.47. The difference, therefore, is marginal, and the rate of tax progression has no redistributive factor.

The reforms that are needed do not require a change in the Constitution. There was a "#Rechazar para Reformar" campaign that sought to reject the process of reforming the Constitution, which is identified by a transformative project that involves overcoming neoliberal paradigms.

Additionally, in Chile there is a principle of subsidiarity that is also present in the EU as a principle of competences. That is, EU directives subside from what is established by national laws. In Chile, however, this is an economic principle that stipulates that the State does not intervene in the "daily life of the population" unless individuals do not want or cannot, therefore, there is a commodification and privatisation of all spaces of coexistence with a subtraction of the power of the State as an economic agent.



According to Christian Viera, this also influences the conception of democracy by reducing it to a formal concept that, although it implies the declaration of the principle of the sovereignty of the nation, reduces it to a democracy in electoral terms.

Additionally, Dr Viera pointed out that the Chilean Constitution indicates the "Supra-Majority Quorum" that refers to the different types of laws and that implies, for certain laws, the need for a high quorum to reform them. In practice, this means that important matters of coexistence cannot be modified because the reform quorum is so high that it prevents majorities from exercising political power. In this sense, it is a neutralisation mechanism inherited from the times of the dictatorship with which it was intended to prevent changes. According to Viera, the old Constitution was impossible to reform because it did not open up to political-social dynamism, prevented its updating and generated political crises.

Finally, Viera said that the Economic Constitution establishes mainly what is related to social rights: health, education and the pension system. In Chile these are regulated according to the market. It is the market that regulates their provision, therefore, access to social rights depends on people's ability to pay. People with resources can access quality education and health services, while the pension system is a private system that is based on a principle of individual capitalisation. This means that workers save alone, without solidarity components for their future retirement, until the fund is exhausted.

**Mirtha Patricia Linares Prieto** | Judge of the Appeals Section of the Special Jurisdiction for Peace. Transitional Justice Court of the Final Peace Agreement (Colombia)

Judge Mirtha Linares began her comment by expressing that we cannot say that democracy as we understand it in Europe does not work in Latin America since democracy is one, however the structural conditions that sustain democracy in each region are different. Then, Linares Prieto dedicated himself to contextualising the constitutional process in Colombia and its relationship with today's social protests.

According to the magistrate, in Colombia the changes originate in wars and armed confrontation. The current Constitution arose because of the clamour of young people 30 years ago who demanded social justice, basic needs and the right to peace. Today the country is experiencing a situation of extreme crisis that seems to go against the process of 30 years ago, so the Magistrate explained that the Constitution cannot be changed, modifications have been made, but the Constitutional Court safeguards its content.

However, for Linares Prieto, 30 years have not been enough to materialise the Colombian State as a State of Law. The great debates of the National Constituent Assembly had to do with the same current issues. For example, although in 1991 the Special Indigenous Jurisdiction and their rights were recognised, only now this jurisdiction, together with the Special Jurisdiction for Peace, begins to take effect. Additionally, Mirtha Linares indicated that the Constitution of '91 provided the tools that allowed the Peace Agreement with the FARC to be achieved, and that it was negotiated and signed by the Colombian State, not by a government.

## PANEL 2

---

### INEQUALITY, POPULISM AND SOCIAL PROTESTS

**Luis Guillermo Solís Rivera** | Director and Professor Kimberly Green, Latin American and Caribbean Centre, former President of Costa Rica

At the beginning of his speech, Luis Guillermo Solís Rivera proposed to make a clarification regarding certain topics pertinent to his presentation. In this regard, he suggested that a distinction should be made between poverty, the notion of income and inequality. This is due to the inequality between the different economic and social sectors of a nation. The notion of income is fundamental in issues of inequality since it allows to measure a reduction in poverty, that is, an increase in income implies an increase in inequality. There is no direct correlation between the two. Thus, according to Mr Solís, this has a lot to do with social protest in LAC, where populations by direct transfers or by a series of mechanisms increase income but do not reduce inequality.

On the other hand, Solís Rivera also proposed analysing populism, which should not be confused with popular governments, and involves both traditional left and right expressions. That is, there may be populisms across the ideological spectrum. Likewise, populism is characterised by being personalist, nationalist, xenophobic, anti-system, anti-democratic, autocratic, militaristic and reluctant to respect institutions. It also uses many glorifying symbols of the past, generates exacerbated emotions, is also patriarchal, anti-LGBTI+, ultra-religious and encourages polarisation.

In addition to this, the former president said that in a democracy social protest is conceived as a right and cannot be seen as something negative, because it is a substantial part of the debate in a free society. However, a distinction must be made between democratically induced social protest, typical of democratic life, where conflict is not eliminated but regulated through institutional and legal measures, and overflowing protest, which involves almost criminal expressions, exceeds its activities and has as its main intention the generation of chaos. This type of protest does not refer to inequality or is related to factors of a political nature, more with issues of governability and in this regard, Solís Rivera characterises governability as a two-sided coin, where the first points to the legitimacy of the regime, expressed by popular mandate that is granted in free elections, and the second to the capacity for good governance. That is, to the capacity of that legal and genuinely constructed regime to respond in time and in depth to popular aspirations.

Additionally, and making a historical analysis, Luis Solís indicated that in the first decades of the 20th century LAC went through various stages, ranging from the end of the Cold War and transitions to democracy to times of institutional dysfunction and weakening of state legitimacy. During the period after the Cold War and the transition to democracies, financial crises and the weakening of the Social Rule of Law occurred, as well as a neoliberal hegemony that is generalised and leads to crises of the middle classes. For its part, in Europe, reverberations were generated to the political changes that occurred in Central and Eastern Europe, while, in LAC, in the periods of transition to democracy, and in the first years of this, there is a process of corruption, emergence of transnational organised crime

in the international system and its infiltration in the countries, as well as a weakening of the system of regional integration organisations.

Subsequently, in LAC a new wave of coups and growing electoral irregularities began to take place, resulting in a situation of increasing polarity. According to Luis Solís, this situation that goes from the democratic illusion to institutional dysfunction has a series of manifestations:

1. The state apparatus is becoming increasingly ineffective because it has been dismantled by neoliberal policies. It is reflected in the fall of the idea of good governance and market efficiency.
2. Financial weakness resulting from the financial crises affecting the region and the world. These crises have impacts on balances in the Southern Cone, Central America and the Caribbean.
3. Globalisation of politics and globalisation of the judiciary. Political decisions begin to be disrupted and questioned due to the interpretations that arise from the manipulation of laws and are generated as reactions to political decisions.
4. Loss of the general power of the executive powers vis-à-vis other branches of government, particularly the legislative sphere. Many of the social protests and populisms that emerge have to do with the recovery of the authority of the executive branch.
5. Growing demand from organised civil society, which makes use of social networks to generate protest networks. Demands are raised in real time with demands for immediate compliance.
6. Emotional factors of uncertainty that are exacerbated and become a determining factor with the pandemic. People are calling for everyone to leave: politicians, trade union leaders and religious leaders. The idea spreads that direct transactions can be made between citizens and power without intermediaries, leading to significant difficulties within institutions, such as political parties, which continue to defend liberal democracy as necessary.

According to Professor Solís, it is in the face of all this historical context and lack of response that populism emerges not as a cause of protest, but as an alleged solution to protest because it offers quick and easy solutions, based on authoritarian, anti-system and anti-institutional solutions, which promote social anger, polarise the discourse and appeal to a false progressivism. The populist ruler comes to power by legitimate and legal means that he then abandons by becoming increasingly autocratic, violent or repressive, and is characterised by appealing to the fight against corruption almost as a mechanism of social cleansing. In this regard, the speaker mentions that social networks or some media participate expressly or tacitly, because in the search for a market or in the competition of traditional media with social networks, and due to the demand and anger of organisations, they stimulate this type of approach.

In addition, the speaker raised the concern whether to talk about populism or various populisms. In this regard, he indicates that sometimes figures are appealed that seem to represent identical phenomena, but that are not. In this sense, Solís clarified that it is important to understand history in the analysis of cases so as not to fall into generalisations that lead to misunderstandings such as, for example, confusing fascism with populism.

Likewise, we must avoid burdening personalities a lot to the detriment of social groups and understand the path that populisms follow and that are repeated in different circumstances:

- Access to power by legitimate electoral means.
- Attack on the status quo, which causes political parties without trajectory to emerge with great force and capture the support of the dissatisfied people.
- Effort to hegemonically control the legislative power, which leads to an assault on the constituent order and the control of appointments of this constituent order. Constitutions are often instruments that, manipulated by populist regimes, can become the way to anti-democracy.
- Assault on the judiciary, whose authorities are in many cases appointed by the Constitutions.
- Control of electoral entities.
- Perpetuation in power through perpetual re-elections. This perpetuation in power in turn produces reactions that are repressed by regimes and can lead to authoritarianism or dictatorships.

Finally, Solis provided certain keys to recover democratic spaces in post-pandemic times of autocracy and populism:

1. Not taking democracy for granted. Therefore, one must be demanding and make the Constitutions emerge and fulfil their effects.
2. Caring, improving, updating, but also defending the rules and processes of the rule of law, especially the electoral ones. Openness to participatory democracies should be promoted, but institutionalism should be safeguarded.
3. Strengthening institutions, for this it is necessary to avoid putting the emphasis on personalities and strengthen institutions as the backbone of the rule of law.
4. Fighting corruption and transnational organised crime, as it weakens the rule of law, the institutionalism and legitimacy of state institutions that have to exercise a monopoly on the exercise of force. In addition, corruption and criminality take advantage of and promote overwhelming social protest for their own interests.
5. Increasing and promoting the mechanisms of dialogue and social control: it is imperative to dialogue and respond to the problems of society.
6. Rethinking the role of the executive branch in the constitutional debate from a framework of checks and balances. The democratic balance is not based on the weakening of one essential body or one branch of power vis-à-vis others.
7. Promoting the social inclusion of "minority" groups that are often not (women, Afro-Latin American descendants, indigenous people, people with disabilities, LGBTI+-) as part of the order, seeking to give them a voice and presence in the debates.
8. Strengthening the mechanisms of regional integration, since all have been weakened, efforts are made, but with few results. In addition, special emphasis should be placed on meeting the SDGs.
9. Promoting territorial integration through local and territorial economic development.
10. Civic education for the respect of essential precepts and the proper functioning of society. The proper understanding of the citizenship about the functioning and division of the powers of the State, the central role of the Constitution, who makes the laws and their administration, are key to reducing social tension and preventing it from being perverted in the hands of autocrats.

## COMMENTS TO THE PRESENTATION OF LUIS GUILLERMO SOLÍS RIVERA:

**Luis Armando Tolosa Villabona** | Magistrate of the Supreme Court of Justice of Colombia

Magistrate Luis Armando Tolosa Villabona began his comment by noting that he was going to offer a jurisdictional perspective to Latin American protests and social unrests in the face of inequity and inequality. To be sure, inequality and poverty increased in the region, as did protests and social unrests. In LAC these movements are not appearing by magic but respond to a very wide catalogue of unmet needs of the majority.

According to Luis Tolosa, beyond the middle classes there is a chasm between wealth and misery. A deterioration of the life of the population is perceived in a decisive way and is aggravated by the reappearance of authoritarian regimes that undermine the forms of regional integration. At the same time, also in LAC we find pseudo-democracies that perpetuate the unjust status quo since they do not respond to the demands of civil society.

The rule of law in Latin America is in a phase of transition from a purely legislative state to a form of constitutional and social state of law, and is contradictory, deficient and conflictive. Because of this iniquity and patent inequality, in some of the LAC countries where it is more pronounced than in others there is progressive local and regional corruption, political violence, and also against social leaders, indigenists and environmentalists. In addition, according to the speaker, in the face of the notorious fall in democratic standards, impunity, drug trafficking, human trafficking, and ignorance of the rights of minorities are growing. In these circumstances, the answers were not long in coming.

One of them was the emergence of leftist guerrilla groups in states such as Colombia or, in some Central American states, parastatal or paramilitary groups. But simultaneously large social unrests emerged with mass protests in pursuit of social justice. The state response in some countries was the opening of some democratisation processes. But in others, of arbitrary force and the enthronement of authoritarian governments. So, in this scenario, how to respond from the jurisdictional point of view to this situation?

According to Magistrate Tolosa Villabona, LAC judges cannot close their eyes. If the mission of the judiciary is social justice and guardianship in the rule of law, judges must be alert to authoritarian solutions, they must be aware that the exercise of peaceful protest and public demonstration is a fundamental right with constitutional roots, and also protected in international instruments. A set of unmet needs openly denounces the causes of inequity. In such a way that, if from the executive or legislative branch these disruptive forms are censored, criminalised or stigmatised, when people and movements take to the streets to question, refute, criticise, in a non-violent way the status quo, because it is a human and fundamental right, judges must protect them because it is a way to consolidate democracy.

Tolosa Villabona indicated that at this juncture it is necessary to think and raise awareness among judges in the region, the judiciary, to unite legal theory and practice, and to be the rational bearers of the claims that come embedded in the different actions through the fundamental right to effective judicial protection. The legal systems in LAC, which to a greater or lesser extent are mirrored in civil law – with insertions of elements of

common law – make it possible to decide in favour of the construction of the rule of law, a constitutional and conventional control of legislative acts, laws and administrative acts. Of which? Of those who undermine and limit the rights, protest and peaceful assembly that are generated against iniquities. In this, according to Judge Tolosa, the courts and constitutional chambers of the courts and supreme courts have a leading role, but also in special jurisdictions such as labour, civil, criminal, penal. They are recipients of labour actions, for example, in the face of trade union issues, social unrests, in the face of needs, and they must discover the appropriate means to make the international system of human rights and international humanitarian law effective.

Also, at this time judges must be aware that there is a direct relationship between digital and democracy, between development and movements, between law and protest. There is an intersection between technology and human rights, so that while networks in recent years – and even more so on the occasion of the pandemic – improved the forms of communication and access to the economy, to education, to health. They also influenced the gestation of channels of development and organisation of mass movements of a social nature and protests. But they were, simultaneously, subjected to anti-democratic repression by governments, using digital technologies in the face of the fundamental right to peaceful assembly and expression, but also the right to communication between people; then the judiciary must be alert in this matter.

The speaker considers it necessary to change the worldview of judges, leading to prejudices and stereotypes. It must also be foreseen the overcoming of the vision of an eminently law-centrist state, which gives way to the constitutional and social state of law, which is a more developed and human way to make the rule of law just. It must be understood that the law is not the only source to consult, but there are other sources such as justice, the human being, community, otherness, nature. We must overcome this hegemonic and centralised vision, subordinated to dogmatics, standardised models and an exegesis that is based on ideal types that are despising the regional, the ancestral, the cultural and social dynamics.

To conclude, Luis Tolosa stressed the need to encourage dialogues between the various judicial branches in LAC so that they share their experiences in the protection of rights, so that there is enrichment of the solutions given by the judge in each country in the face of protests and social unrests and claims. Democracies in LAC often remain formal, so that jurisprudential dialogues acquire full meaning, full legitimacy, because in the face of insufficient materialisation of a fuller democracy, it is up to judges, through judgment, providence, to exercise an active function so that the Constitutions cease to be seen as ideal catalogues of rights without impact on concrete reality.

**Alicia Lissidini** | Professor at the School of Politics and Government of the National University of San Martín (ARG)

Alicia Lissidini began her presentation by quoting a phrase from the late former Argentine president Raúl Alfonsín: "With democracy you not only vote, but you also eat, educate and

heal." According to Lissidini, there are high levels of democratic disillusionment in LAC because the transitions from dictatorship to democracy did not bring about the promised improvement in the quality of life. According to the speaker, today LAC is in a pandemic-type democracy characterised by the following elements:

- Increased inequality
- Poverty
- Informality
- Violation of human rights
- Less congress and more president
- Political parties split from society
- Social outbursts and protests without leadership

According to Alicia Lissidini, protests are a necessary element in democracies. The presence of protests not only informs the rulers of the unrest in a society and promotes the creation of collective actors, but also distances the individual exit and disinterest in the collective. The rulers must listen to the petitioners, build bridges and build mechanisms of deliberation and negotiation that allow reconstructing the meaning of politics, that is, the reinvention of politics through the recognition of a diverse and contradictory public space.

Therefore, it is also important that there are necessary legal tools so that these protests can be legally channelled. For example, in Uruguay this possibility is being given through the mechanisms of direct democracy. In addition, it is occurring from citizenship, that is, from the bottom up and not from the top down.

The speaker stressed that the protest goes beyond the "public" sphere, politicising the "private", that is, it allows to bring to the public discussion arguments that are normally considered private. As, for example, was the case of the protests of the #NiUnaMenos movement in Argentina in relation to the issue of gender violence. Or also in relation to LGBTQ+ diversity. Protest leads to the acquisition of legal rights and laws.

To conclude, the professor listed a series of measures to deal with pandemic democracies:

- State support through universal aid (citizen income)
- Avoid the use of warlike and conflictive discourses, appeal to interpersonal trust
- Reactivate congresses and judicial powers
- Generate spaces for public deliberation
- Listen and respond to social demands
- Unrestricted respect for human rights
- Agreements between regions (rather than between countries)
- Promote and activate citizen participation mechanisms

### 3. Third Day

WEDNESDAY, 21 JULY 2021, 4 P.M. – 7.30 P.M. (CEST)

## MULTILATERALISM, INTERNATIONAL RELATIONS AND BI-REGIONAL SOCIAL FABRIC AS AN INSTRUMENT FOR THE GOVERNANCE OF GLOBALISATION

**CAMPUS YUSTE**  
(ONLINE - 2021)

**LAS RELACIONES UNIÓN EUROPEA-AMÉRICA LATINA Y EL CARIBE: UNA AGENDA RENOVADA Y UN PROGRAMA PARA LA RECUPERACIÓN EN EL MARCO DE LOS ODS**

**Día 21 de julio**

**ADRIÁN BONILLA**  
Director Fundación EU-LAC

**RODRIGO ALBERTO CARAZO**  
Embajador de Costa Rica ante la ONU

**ANA SOJO**  
Consultora independiente, ex CEPAL-  
Comisión Económica para América Latina y el Caribe

**ALBERTO VAN KLAVEREN STORK**  
Director Unidad Académica Relaciones Jurídicas y Económicas Internacionales de la Universidad de Chile - Estudios Internacionales

**CLAUDIA GINTERSDORFER**  
Jefe de la División de Asuntos Regionales de las Américas, Servicio Europeo de Acción Exterior

**ROGELIO GRANGUILLHOME MORFIN**  
Embajador de México en Alemania, Presidencia Pro Tempore CEPAL

#### INTRODUCTION:

### MULTILATERALISM, INTERNATIONAL RELATIONS AND BI-REGIONAL SOCIAL FABRIC AS AN INSTRUMENT FOR THE GOVERNANCE OF GLOBALISATION

**Dr. Adrián Bonilla** | Executive Director of the EU-LAC Foundation

Adrián Bonilla opened this day of the summer course by proposing a reflection on the relationship between the EU and LAC. According to the Director, this relationship cannot be explained without posing an element of context that refers to the international order, that is, to the way in which this order is constructed. The idea is that to account for this phenomenon we can allude to different versions of how the contemporary international order is built from theory.



Ways of understanding the international order:

1. Classic version: identifies and prioritises the idea of the distribution of capacities of the units of the system – which are basically the national states – around their possibilities of accessing the logics of power and having dynamics of domination or subordination.
2. The tradition of international political economy: it raises the image of globalisation and interdependence as an element that characterises not only an order of States, but an international society, with actors that are international organisations and transnational corporations, but also sub-national international actors depending on the issues, for example, ecological systems or even if they are issues conventionally attributed to States such as security.
3. An international order that belongs to no one: it is constituted by a multiplicity of actions and not only of actors. This conception questions the way in which hierarchies determined by the capacities of the actors were conventionally characterised.

Still, if one looks at the world as the characterisation of a field not only in dispute by great powers characterised by the distribution of military and economic capabilities, but as a world of multiple interdependencies where there are various actors linked by asymmetric relationships depending on their capabilities, the metaphor that Adrián Bonilla would use to describe this way of seeing the international reality to the contemporary world, it has to do with the emergence of a new world centre located in the Asia-Pacific region.

Bonilla explained that the central pole of the post-World War II international order was the North Atlantic, that is, the combination of the economies of Western Europe and North America (USA and Canada). However, the growth rates of Asian economies, particularly that of China, but also of Singapore, Vietnam, South Korea, show that in this way of seeing the world there are two central poles of concentration of economic capacities: one in the North Atlantic and the other in the Asia-Pacific.

In this way of conceiving the world, the idea of globalisation that describes the international order, and within it the relationship between LAC and the EU, highlights that there are interdependencies that are established between societies and nations. These interdependencies are not symmetrical and the levels of vulnerability in LAC are very high. In this sense, considering the logics of vulnerability that structurally characterise the economies of LAC, the logical thing would seem to resort to instruments in the field of politics and resort to multilateral instruments to try to regulate the eventually negative impacts that asymmetries produce.

According to Bonilla, this is why it is necessary to understand why an agenda of multilateral relations does not necessarily have to do only with values or principles but has to do with needs and capacities. In this regard, the third image of the international order, that of the world of no one, would place the idea of multilateralism, and for example the EU-LAC relationship, in the need to reaffirm the common themes that identify historical affinities as a point of affirmation of the very relevance of these relations in this order. In this logic, multilateralism is an instrument of inevitable governance because the idea of the multiplicity of actors, influence, and political agencies, is given, on the one hand, by the existence of an environment characterised as a backdrop by globalisation, on the other

hand, by the lesser relevance than that which national states had in the nineteenth and twentieth centuries in the definition of how international issues are processed.

International issues now cross all people, all societies, and every last human being is conditioned by logics that have to do, for example, with the technological revolution or climate change. These global problems cannot be processed in any other way than through multilateral relations. In addition, multilateral relations are absolutely necessary both for the EU, with the aim of having a presence in the world and avoiding a new bipolarisation, and for LAC, which is vulnerable to the externalities of the economy and politics.

Adrián Bonilla concluded his introduction by highlighting that multilateralism is an instrument of control and mitigation of asymmetries, which serves to prevent the possibility of confrontations being resolved with the use of force. Moreover, multilateralism is a unique governance instrument for solving problems that are global.

## PANEL 1

---

### THE COVID EFFECT ON GLOBAL HEALTH GOVERNANCE AND EU-CELAC GOVERNANCE AND RELATIONS, AND THE IBERO-AMERICAN SPACE

**Rodrigo Alberto Carazo** | Representative of Costa Rica to the United Nations

In his speech, Representative Rodrigo Alberto Carazo focused on the challenge of the new world order, and its implications for EU-LAC relations. Relations between the EU and LAC are based on common interests between both regions and shared values. The representative highlighted the vision of the world and the principles of European cooperation: prosperity, democracy, effective governance, which allows generating a joint agenda for the world and offering solutions supported by a more efficient, dynamic and present multilateralism in the face of global challenges.

He also highlighted the thematic axes in which the two regions have been working together for decades: integration, social cohesion, management of the social pact, the strengthening of multilateralism and the principles of peace, security, the rule of law, respect for human rights, as well as cooperation in the face of new challenges, changes in conjunctures and urgencies of the moment, such as, at present, the Covid-19 pandemic and the need to prevent new pandemics.

The Representative explained that the world was not prepared for a pandemic. Health was regulated multilaterally by a weak organisation with no defined mandate, and its main source of funding, the United States, was in retreat. In this regard, the Ambassador expressed that joint participation between the EU and LAC in health governance could be important to improve the quality of the overall response. He recalled that the countries of the EU and LAC together make up a third of the members of the UN, so, according to the speaker, there is a huge potential for advocacy and proposal of initiatives in multilateral organisations. Evidence for this potential has been presented, for example, at the

WHO World Health Assemblies in 2020 and 2021, where both regions had an updated participation aimed at addressing the causes of the pandemic and seeking equitable distribution of vaccines.

The Representative also pointed out as a challenge the international public financing to consolidate the services and infrastructures required to implement health as a global universal public good, strengthening social protection systems, the production and deployment of medicines and therapies and vaccination, among others.

By way of illustration, Costa Rica, in 2020, proposed the global availability of an intellectual property repository on the subject of vaccines, treatments and medicines, for Covid-19 in particular, but also for any other problem of incidence in the health of the world's population. However, according to the Ambassador, this was rejected or ignored by some countries, as it was considered an intrusion into intellectual property, despite the fact that research in emergency treatments has been mostly funded with funds from all countries.

Finally, Rodrigo Alberto Carazo mentioned the global mechanism created to address the issue of joint procurement and equitable distribution of vaccines – COVAX – as an area in which the EU and LAC could intensify their cooperation, working hand in hand to guarantee their success and thus achieve the generation of changes in the global governance of health urged by two independent panels of experts, - the Panel on Pandemic Preparedness and Response, created by the WHO Director-General and led by Ms Ellen Johnson Sirleaf and Helen Clark – and the High-Level Panel on Financing the Global Pandemic Preparedness and Response Commons that presented its plan at the recent G20 meeting in Venice.

#### **Ana Sojo** | Independent Consultant

The presentation by the consultant Ana Sojo focused on the implications for global governance brought about by the Covid-19 pandemic. Firstly, the speaker underlined that humanity has entered an epidemiological era, that is, that pandemics could probably be recurrent if there is no radical change in the way we face these challenges. Then, there is an urgent need to intervene to modify what could be a pandemic era without return, and for this reason it is important to raise the issue of governance.

Secondly, the speaker stressed that it was unusual that the pandemic took humanity by surprise, because – with experience of all the infections that occurred in recent decades – the issue had been announced that the world was facing very high endemic risks. Examples:

1. *Global Preparedness Monitoring Board, A World at Risk (2019)*  
"The world is in grave danger of regional or global epidemics or pandemics and devastating consequences, not only in terms of loss of human life, but of economic destabilisation and social chaos."<sup>1</sup>
2. *Johns Hopkins Center for Health Security, Preparedness for a High-Impact Respiratory Pathogen Pandemic (2019)*  
"If a high-impact respiratory pathogen were to emerge, naturally or as a result of

---

1 See Global Preparedness Monitoring Board (2019): A World At Risk, p. 1; document available online: <https://www.gpmb.org/annual-reports/annual-report-2019>

accidental or deliberate escape, it would have significant public health, economic, social and political consequences. Novel high-impact respiratory pathogens combine qualities that contribute to their potential to start a pandemic. The combined possibilities of short incubation periods and asymptomatic spread can result in very narrow windows to interrupt transmission, making it difficult to contain such an outbreak."<sup>2</sup>

The failures in containing the current pandemic, according to Ana Sojo, are clearly not only attributable to the national dynamics of the respective governments, but also to their interaction at the bilateral, regional and multilateral levels, within a certain institutional framework. For that reason, an important multilateral discussion focused on the relevance, timeliness and effectiveness of such rules.

An indicator of the lack of pandemic preparedness and the inadequacy of how to contemplate the problem of health in a pandemic era was shown in the present pandemic in the way in which health rationality and economic rationality were contrasted. That had very negative effects on the ways in which economic lockdowns developed and, of course, on the number of deaths and the number of infections. Examples:

1. *Boris Johnson's Greenwich Speech, 3 February 2020*

"... (T)here is a risk that new diseases such as coronavirus will trigger a panic and a desire for market segregation that go beyond what is medically rational to the point of doing real and unnecessary economic damage, then at that moment humanity needs some government somewhere that is willing at least to make the case powerfully for freedom of Exchange. (...) And here in Greenwich in the first week of February 2020, I can tell you in all humility that the UK is ready for that role."<sup>3</sup>

2. Both President Trump and President Bolsonaro fear suffering a political weakening due to the pandemic: along with their contempt for technical and scientific reason, they use stratagems to try to assign to others - whether governors or mayors, as far as possible belonging to the opposition - the responsibilities for the effects of the shutdowns of the economy, confinement or openings, seeking to avoid their own responsibilities about this economic impact in order not to lose the support of their followers, which also feeds back already risky facile discourses regarding improvised openings.

So, in the opinion of the consultant, a new governance is required that allows health rationality and economic rationality not to be opposed.

Next, Ana Sojo mentioned that, as Zygmunt Bauman said, bringing power and politics back together in a global world implies "raising the level of politics and the importance of its decisions to completely new heights, for which there are no precedents". In addition, the Global Preparedness Monitoring Board that wrote the "A World at Risk" report mentioned above, edited a new report, called "World in Disorder", where it reiterates: "Failing to learn

---

2 See Johns Hopkins Center for Health Security (2019) Preparedness for a High-Impact Respiratory Pathogen Pandemic, p. 6; document available online: [https://www.centerforhealthsecurity.org/our-work/pubs\\_archive/pubs-pdfs/2019/190918-GMPBreport-respiratorypathogen.pdf](https://www.centerforhealthsecurity.org/our-work/pubs_archive/pubs-pdfs/2019/190918-GMPBreport-respiratorypathogen.pdf)

3 See Prime Minister Boris Johnson's speech in Greenwich: 3 February 2020; available online: <https://www.gov.uk/government/speeches/pm-speech-in-greenwich-3-february-2020>

the lessons regarding Covid-19, or to act accordingly with the indispensable resources and commitment, means that the next pandemic, which will certainly come, will be even more harmful."<sup>4</sup>

The Independent Pandemic Preparedness and Response Panel (2021) – which is now advising the WHO reform process – expressed in an excellent way:

"The Panel is of the view that the Covid-19 pandemic must be a catalyst for fundamental and systemic change in preparedness for such future events, from the local community to the highest international levels. Institutions across the political spectrum, not just in health, must be part of effective pandemic preparedness and response. A new international framework is required to support pandemic prevention and protection. Building the capacity to respond effectively to them must be seen as a collective investment in mutual human security and well-being."<sup>5</sup>

So, a new global governance within a pandemic era involves:

- Modifying policy priorities, within a systemic approach that reflects their interconnectedness.
- Establishing different, novel, convergent and complementary links between policy areas that have traditionally been disparate or opposing.
- No longer shying away from complexity in order to manage global risks and face uncertainties.
- Giving strategic centrality to public health in the national and supranational public agenda, with respect to the wide range of conditioning factors that make its systemic interconnection indispensable.
- Consolidating knowledge and strengthening concomitant regulatory capacities at the national level and in international cooperation at various scales.
- Making an extraordinary effort for the sake of democratic social cohesion. Social coexistence in a chaotic world, which does not provide a horizon of certainty and protection from shared risks, will result in social outbursts of innate characteristics and a deepening of the crisis of democracies.

To cope with pandemics, human and animal health, and the environment are often linked inextricably. So, it is about driving what is called a "one health." Emerging diseases in humans, domestic animals and wild animals are linked and enhanced by anthropogenic thrusters that involve environmental changes that reduce biodiversity.

In these new scenarios, it is essential to give centrality to epidemiological surveillance, that is:

- The global world entered a new epidemiological era marked by the virtuality of pandemics. This makes it necessary to strengthen the capacity for foresight, alertness and action in the face of these risks.

---

4 See Global Preparedness Monitoring Board (2020): A World In Disorder, p. 9; available online: <https://www.gpmb.org/annual-reports/annual-report-2020>

5 See Independent Panel for Pandemic Preparedness and Response for the WHO Executive Board (2021): Second Report on progress, p. 8; available online: [https://theindependentpanel.org/wp-content/uploads/2021/01/Independent-Panel\\_Second-Report-on-Progress\\_Final-15-Jan-2021.pdf](https://theindependentpanel.org/wp-content/uploads/2021/01/Independent-Panel_Second-Report-on-Progress_Final-15-Jan-2021.pdf)

- Strengthen integrated epidemiological surveillance in a systemic way, which poses challenges of inter-institutional coordination, reallocation of resources, strength of task forces that feed updated and flexible decision-making processes.
- Concomitant reforms that allow an institutional rooting of public health in accordance with the new challenges of global health risks.
- Strengthen the relevance of primary health care in terms of its ability to perceive and act in the face of unique epidemiological risks due to population specificities, specific vulnerabilities and local and communal involvement.
- Coordination between the various territorial levels should be strengthened and with it a review of the attributions, resources and accountability of the sub-national entities in charge.

The fact that the world did not rise to the occasion of fighting Covid-19 is not only related to isolated national policies that have a number of problems, but to the way in which the architecture of global health is woven. Therefore, it is necessary to modify bilateral, regional and multilateral interaction to optimise the architecture of global health:

- It is necessary to strengthen the multilateral institution that constitutes the axis of this governance and that is the WHO, that is, to empower the normative work and its operational, effective and unified capacity of the WHO in the face of health emergencies. Because its ability to validate reports in the face of outbreaks with pandemic potential and to provide containment support was extraordinarily limited.
- The WHO is the entity called to activate the pandemic alert systems. However, the alert system currently available to the WHO is so far not fully specialised, nor is it typical of the current digital age.
- Reform criteria for when a "public emergency of international concern" is declared and create effective regulatory compliance monitoring mechanisms.
- Create a dedicated national entity, with sufficient authority and a clear mandate as to the effective implementation of regulations at the national and subnational levels; formally inserted in the national instances related to emergencies and entities related to health emphasis.
- Strengthen the pandemic preparedness of countries, considering the Ministry of Health as the responsible entity, but within an approach that involves the entire government; in addition, this preparedness capacity should be an integral part of strengthening the public health system and primary care.
- So, it is very important now what is said about the global treaty on pandemics to be inserted into the WHO constitution and which will be discussed in an ad hoc assembly next November.

Also, - and this was covered very well by the Independent Pandemic Preparedness and Response Panel, it is necessary to modify WHO's internal governance:

- It is complex and not so efficient, functional, and responsive as to be able to respond to the magnitude of crises. In these terms, it is considered that the Executive Council does not act precisely as such, providing specific guidance to the institution. It is emphasised that the regional structures of the Secretariat have such a level of authority - which includes semi-autonomous political processes for the election of regional Directors - that it complicates the governance of the institution and hinders the coordination of global governance.

- Another important aspect concerns the need to increase the competence and quality of the technical work that is developed within the institution and that is provided to the countries.
- The financing and the forms of election of the authorities of the institution should have characteristics that enable it to fulfil its functions free of political or economic pressures and influences, since during health emergencies political independence and integrity in decision-making processes are crucial.

#### COMMENTS ON THE PRESENTATIONS OF RODRIGO ALBERTO CARAZO AND ANA SOJO:

**Alberto Van Klaveren Stork** | Director of the International Legal and Economic Relations Academic Unit of the University of Chile – International Studies

In his speech, Professor Alberto van Klaveren Stork mentioned that multilateralism as a fundamental objective in the international system is in a complex situation, because although there is a consensus on the need for multilateralism, there are discrepancies in how it should be articulated. By way of illustration, the crisis of multilateralism was reflected to a greater extent during the Trump administration, however, the phenomenon of questioning multilateralism was not exhausted with Trump's defeat; in the US, doubts about multilateralism are reflected in various sectors of the political system, the country is polarised, and this is projected in multilaterally. This phenomenon is also reflected in some Latin American countries, for example, Brazil, due to the systematic questioning of the administration of President Bolsonaro to basic principles of multilateralism.

Van Klaveren Stork also pointed out that there are different aspects of multilateralism:

1. Multilateralism that is identified with the concept of the liberal order and that emerged from the end of the Second World War; this continues to be followed by a number of countries, including those of the EU and LAC; however, it is questioned by other world powers.
2. Multilateralism with certain Chinese characteristics, as a rising power.
3. Selective multilateralism, proposed by some global and regional powers.

In this sense, multilateralism is in a process of redefinition, while in LAC there is evidence of fragmentation and polarisation, which has affected regional institutions, leaving great gaps and challenges at the regional level. Several countries have questioned regional issues, such as climate change, the Inter-American Human Rights System, which is attacked by both sectors of the Right and sectors of the Left, which, according to Van Klaveren Stork, also points to a Neo-Sovereignism, that is, a claim to sovereignty over the values of multilateralism.

On the other hand, according to Professor Alberto Van Klaveren Stork, the complexity in LAC affects relations with the rest of the world and has a direct impact on the relationship with the EU. This has been reflected in the impossibility of both regions to meet at presidential summits as usual. Likewise, the crisis of multilateralism and regionalism in LAC is projected in turn in its regional institutions. For example, UNASUR has practically disappeared,

while CELAC has remained thanks to the Pro Tempore Presidency of Mexico, on a less controversial level. For its part, integration processes also face difficulties, MERCOSUR due in part to the difference between the governments of the most important countries, Argentina and Brazil, while the Andean Community and the Pacific Alliance have not overcome well the differences in vision and expectations between their member countries. It is worth noting, however, certain exceptions, such as CARICOM, which has been the only regional entity in LAC that has achieved high coordination to face the pandemic and its consequences.

Faced with the developing redefinition of multilateralism, and the division, fragmentation and polarisation that is evident in LAC, Van Klaveren Stork proposed some answers.

- Demand for a more functional regionalism: Regionalism has tried to profile itself in the political sphere, which has its own value, but is conditioned to the situation or political ideology within the different member countries, as has been the case of UNASUR, which arose by political coincidence of the governments of the moment. In this regard, Van Klaveren Stork affirms that a regional project conditioned to political cycles or ideologies cannot be perennial.
- Then a redefinition of regionalism would be recommended in the face of functional issues such as those raised by Ana Sojo, which would imply the development of good practices to face a pandemic, instances of cooperation, studies, among others. According to Van Klaveren Stork, there are institutions that could have played an articulating role in the management of the pandemic at the regional level, for example, the UNASUR Health Council, which raised a series of technical issues and several initiatives for the purchase of medicines, however, the initiative did not prosper with the purpose of UNASUR.
- On a wide range of technical issues there is full agreement in the region; however, on issues such as climate change, there are differences between some countries that are related to their own interests. In this regard, according to Professor Van Klaveren Stork, it is not always easy to reach agreements in regional cooperation, but it reflects a potential in technical and functional issues, since they do not imply a political or polarising load, like other issues on the agenda. In this sense, regional cooperation can be initiated in these issues and thus success in one technical area can lead countries to cooperate on other issues and therefore enhance cooperation.
- From the point of view of EU-LAC relations, the speaker mentioned that there is potential for the development of cooperation initiatives in specific areas, and that this can be an interesting experience and give a role to actors other than states, for example civil society. In this sense, Van Klaveren Stork proposed the generation of EU-LAC networks that propose initiatives and promote the achievement of support for the development of specific projects. By way of example, Van Klaveren Stork mentioned the Euroclima+ Programme.
- Furthermore, the speaker pointed to the potential of more flexible interregional relations. In this regard, he suggested the possibility of developing the concept of Variable Geometry, characteristic for intra-European cooperation. This involves the association of groups of countries that have coincidences and seek to develop initiatives and projects in common areas, but do not necessarily have to have an interregional scope.



## PANEL 2

---

### THE "STRATEGIC" AGENDA OF THE EU-LAC RELATIONSHIP IN THE FACE OF CENTRAL DYNAMICS, EMERGING GLOBAL ECONOMIES

**Claudia Gintersdorfer** | Head of the Regional Affairs Division of the Americas, European External Action Service (EEAS)

Claudia Gintersdorfer began her presentation by citing a role of the EU Strategic Institute which, according to the speaker, encapsulates the state of the relationship between the regions: "The EU's relations with Latin America and the Caribbean enshrine a paradox. Despite having much in common, a long history, and a sophisticated institutional framework that unites them, the level of interaction is relatively low, and remains below its potential." It is true that, despite having a strategic and regional partnership since the first Summit in Rio de Janeiro in 1999, there is a perception that the EU has regressed in LAC. That's due to many different factors. The High Representative and Vice-President of the European Commission, Josep Borrell, urged the Foreign Ministers of European countries to pay more attention to what he called "the other transatlantic relationship" that is in the shadow of the relationship with the US and Canada. Recently, the High Representative placed bi-regional relations with LAC on the agenda of the monthly meetings of EU Foreign Ministers three times. This is very significant, given that the last strategic discussion on the region dates back five years. Indeed, Ministers agreed that it is necessary to strengthen Europe's commitment to LAC, taking into account that there are important interests at stake:

1. LAC is central to the EU's global ambitions as it includes two strategic partners – Mexico and Brazil – and three G20 members – Mexico, Brazil and Argentina.
2. Traditionally, the countries of the region were strong supporters and defenders of multilateralism. The Caribbean alone has 16 votes in the UN system. So, if the EU and LAC unite, they would represent a third of the UN's membership.
3. There are many affinities and many common positions on key priorities such as the 2030 Agenda and the Paris Agreement.
4. LAC represents a very important market for European companies. The EU is still the main investor in the region, and its third external trading partner. In fact, the EU's foreign direct investment shares in the region add up to more than EU investment in China, India, Japan and Russia combined. EU investments are focused on strategic sectors such as telecommunications, renewable energies. The region is also very rich in commodities, such as lithium, which are needed to drive a global transition towards societies that are more digital and more climate neutral.
5. As for the instruments, the EU is well equipped, has representation in the 33 countries of the region, and physically in 26 of them through the DELEGATIONS OF THE EU, and the embassies of the member states. The EU must also offer the region, for example in terms of a social economy framed in regulatory power, leadership in environmental issues and sociability. In addition, the EU is recognised as an advocate for regional and multilateral solutions. Another important tool is the network of trade or political association agreements and cooperation that the EU has with 27 of the 33 countries in the region. This makes LAC the region with the closest formal ties with the EU, and also

- the EU is the main partner for development and a major provider of humanitarian aid.
6. There are strong contacts between people living on both sides of the Atlantic. There are about 6 million EU and LAC nationals currently living on the other side of the Atlantic.

Despite all this, Claudia Gintersdorfer indicated that there is this sense of disconnection of the EU from LAC. That is partly because there has not been a bi-regional summit since 2015, nor with its strategic partners Mexico and Brazil. This contrasts with other international actors that are courting the region. Particularly China, whose rapid expansion and so-called "mask diplomacy" were accompanied by a strong political presence and active reach. In fact, currently, 19 countries in the region joined China's "Belt and Road" initiative, and between 2000 and 2016 China's market share as a supplier to LAC went from 3 to 16%. While the EU went from 16 to 15%, being situated for the first time behind China, and thus moving to the number 3 place in terms of trading partners. What worries the EU most, according to the speaker, is that the hegemonic powers tend to impose their rules, and when it comes to autocratic regimes - in which human rights and fundamental freedoms are not respected - the influence they may have in the region will not be beneficial for the region in the medium and long term. So, at a time when LAC is facing one of the worst crises ever experienced, and which is going to have an impact for many years to come, the EU cannot take for granted the stability and relations that need to be strengthened with the region.

Ms Gintersdorfer emphasised that LAC was hit hard by Covid-19. With only 8.5% of the world's population, the region recorded a third of deaths and 20% of cases globally in 2020. However, since before this crisis, LAC was the slowest growing region in the world, struggling with high inequality rates, high rates of informal employment, political polarisation, violence, and social unrest, and now the region is facing the worst recession on record, and a fall of around 8% of GDP is expected. Inequality also increased as employment declined. For example, in 2020, 12 million women left the economically active population.

The debt-to-GDP ratio rose to nearly 80% in 2020, which is the highest rate in the developing world. Progress towards the 2030 Agenda and the Sustainable Development Goals are also at risk. In addition, Covid-19 aggravated the humanitarian crisis in Venezuela, the conflict of violence in Colombia, and food insecurity and violence in Haiti and Central America. There were also massive protests that shook governments throughout the region since before the Covid-19 crisis. There is growing frustration as the development progress of recent decades begins to crumble. Consequently, in a long-term scenario, greater political instability, growing insecurity and challenges to democracy and human rights seem a very real scenario. Organised crime is also on the rise, and LAC continues to be the most violent region in the world. In addition, support for democracy has been reduced to an all-time low. In this scenario Venezuela remains an open wound with 5.6 million Venezuelan migrant refugees seeking refuge in neighbouring countries, placing an additional challenge for all host countries in the region. So, these are some of the crises where the EU supported, and continues to support, LAC.

Claudia Gintersdorfer commented that, in terms of the direction of the EU-LAC relationship in the face of all these challenges, in 2019, the EU published a new strategy on bi-regional

relations called EU-LAC: joining forces for a common future. Also, the priorities of the new Commission establish an ambitious agenda for action, and of course Covid-19 opened the public health dimension and brought to the fore the long-standing structural weaknesses that persist in LAC. So, inequality, governance, and insecurity remain major challenges.<sup>6</sup>

Moreover, according to Gintersdorfer, the EU is currently in the process of programming financial resources for the next seven years (2021-2027), but unfortunately in a context of austerity, resources for LAC did not increase but on the contrary decreased. Therefore, in order to "do more with less," the two regions have to set priorities and pool resources.

The EU tried to join forces with member states and European actors, including the European Investment Bank, and created a team approach called Team Europe. These are initiatives where all the competent European actors participate to obtain greater impact. This approach has already been used as part of the global response to Covid-19 and as a response for LAC. So, the EU wants to continue this team approach also for projects over the next seven years. The elements agreed for the EU's agenda with LAC in the coming years include the following:

1. Resume regular high-level political dialogues with the region showing that the EU is present and concerned about LAC.
2. Increase the EU's presence at sub-regional and bilateral level.
3. Work more closely with groups that want to go further to promote some common goals, building coalitions on key utilities such as climate change, biodiversity or human rights.
4. Organise thematic meetings of ministers or senior officials in areas of common interest, such as the aforementioned climate and environment topics, but also the digital transition, science and research, health.

Regarding the EU Cooperation Agenda for the coming years, Claudia Gintersdorfer clarified that the motto is "rebuild better" and "rebuild with equality". Indeed, the EU is well positioned to become a leading partner for the post-Covid19 recovery. For example, there is the social market model, which is an important model in a region suffering from inequality. Similarly, the EU has global leadership on the green agenda and the digital agenda. The Three Current Priorities of the European Commission, namely the so-called Green Deal, digital transformation, and an economy that works and serves people, are fundamental to modernising and greening LAC economies. So, according to the speaker, these are three very important guidelines, but in a region that is the most unequal in the world, these agendas can only be effective if they are also combined with governance issues such as social cohesion, tax reforms, and the fight against corruption and crime.

With regard to future cooperation between the two regions, i.e., programming from 2021 to 2027, Ms Gintersdorfer explained that significant progress has already been made in defining programmes at both national and regional level. Also, there is a novel financial instrument called Global Europe, a unique instrument that brings together several previous financial instruments, and thus allows the EU to be more strategic and more flexible, in addition to promoting the establishment of comprehensive partnerships with all countries

---

<sup>6</sup> See document in the Virtual Library of the EU-LAC Foundation: <https://intranet.eulacfoundation.org/es/content/la-uni%C3%B3n-europea-am%C3%A9rica-latina-y-el-caribe-aunar-fuerzas-para-un-futuro-com%C3%BA>

in the region, regardless of the level of development. It also unites Latin America and the Caribbean since in the past the Caribbean had another financial instrument that made it very difficult to have projects that included both Caribbean and Latin American countries. With Global Europe this is going to be easier. In addition, this new instrument also reverses the so-called "graduation policy" that took place in the last financial period, where countries that are no longer considered developing countries, that is, middle-income countries, were suddenly no longer eligible for projects at the bilateral level. Now this has been reversed. Consequently, most of this future cooperation will go towards long-term sustainable recovery, supporting reforms to build more inclusive, greener, more digital societies, and that use the specific added value of the EU in terms of technologies and know-how.

The EU, according to Claudia Gintersdorfer, also wants to pay attention to differences. For example, the Caribbean, which is a region that is a bit different in historical and linguistic terms, and which also lost its main entry point to the EU with the departure of the United Kingdom. In fact, the EU and the Caribbean are negotiating a new agreement that will be the basis for building a partnership based on commitments, common interests, a green and sustainable transition.

Another important item on the agenda is to strengthen relations with strategic partners such as Mexico and Brazil. Mexico's membership in the OECD and Brazil's candidacy provide an opportunity to promote business- and investment-friendly reforms.

On the other hand, the EU is negotiating modernised agreements with Mexico, Chile and with Mercosur that includes Brazil. The EU also has a network of very important trade and partnership agreements with the region. The conclusion of the agreement with Mercosur and the modernisation of the agreements with Mexico and Chile are of strategic importance for the EU, but also for the countries concerned, and would greatly strengthen relations with the region. The modernisation of the agreement with Chile is advancing, and so is that with Mexico. Regarding Mercosur, the speaker reported that discussions on outstanding issues are continuing, and it is being considered to have an additional instrument to clarify the commitments related to the effective implementation of sustainability obligations, including respect for the Paris Agreement.

For the EU, multilateralism is something that is part of its DNA. Indeed, a new strategy has been developed to strengthen multilateralism. LAC countries are natural partners in this initiative, and without partners the EU could not contribute to saving this multilateral system that clearly needs reforms, but it is the only solution to global problems and challenges. Together, the EU and LAC countries have 60 votes at the UN, and on past occasions they have shown that if they work together, they can have very positive results.

Another key point of the EU-LAC common strategy is also to strengthen people-to-people contacts and ties. For this there are many good tools, such as, for example, the Erasmus+ academic exchange programme and the Horizon Europe programme for researchers.

Other relevant issues are the promotion and defence of democracy, human rights, gender equality, - in an increasingly difficult context. According to Gintersdorfer, the EU and LAC have always shared those values, but it is clear that they are under attack, not only in LAC, but

globally and also in some EU countries. Therefore, joint efforts must be redoubled to promote these values. The EU supports the peace and security in the region, for example by supporting the peace process in Colombia. There are also very important programmes to fight drug trafficking, human trafficking, and all kinds of criminality.

To conclude, the speaker highlighted some very specific tracks in the EU's bilateral agenda:

- As for the high-level political dialogue, the EU is thinking of organising a summit before the end of the year.
- Follow the policy of commitment with partners such as Venezuela and Nicaragua. Even if the EU is in defence of human rights and democracy, on the other hand, it is convinced that the only way is to continue dialogue, being therefore in a position to help find ways out of difficult situations.
- As for the digital transition, in June 2021 the first transatlantic cable directly linking LAC and the EU was inaugurated. A future digital alliance between the EU and LAC is also being developed.

#### COMMENTS TO CLAUDIA GINTERSDORFER'S PRESENTATION:

**Embajador Rogelio Granguillhome Morfin** | Representative of the Pro Tempore Presidency of CELAC

Ambassador Rogelio Granguillhome Morfin commented on the complexity of the overview for Latin America and the Caribbean, because although there have been signs of an economic recovery in 2021, actions are still needed to help the region get out of the downward growth trajectory that is perceived. According to ECLAC estimates, the growth rate in the region will be 5.2% in 2021, which would not cover the contraction of 6.8% of GDP suffered by the region in 2020 as a result of the pandemic. Meanwhile, the advance in 2022 would be estimated at 2.9% GDP growth. Furthermore, the Ambassador indicated that 19 out of 33 countries have not recovered the GDP of 2019 for the region, which would mean, in turn, that some countries in LAC will not be able to recover their pre-pandemic status until 2023 or 2024.

Additionally, according to Ambassador Granguillhome, growth in the region would be accompanied by structural problems: inequality, poverty, low investment and low productivity, as the pandemic has exacerbated pre-existing structural problems in the region and has made more urgent the need to face them and seek fundamental changes that tend towards equality. Following this order of ideas, the Ambassador considered it pertinent to identify the changes in economic and public policies that must be carried out to achieve more egalitarian structures, since the efficiency of these would depend on stopping the increase in poverty and extreme poverty and inequality, as well as encouraging, on the other hand, the care of the environment, - challenges faced by the region even before the pandemic. Added to this, LAC is facing the challenges of paying off the debt and external debt, as it is the most indebted region in the world, with 56% points of GDP and with a payment of the service by payment of almost 60% of exports, - an indicator that makes it essential to look towards the macroeconomy.

Moreover, Ambassador Granguillhome expressed that the type and quality of the external relationship of the region and its countries can contribute to overcoming the challenges. The current condition and the needs faced by the economies of the region demand a relationship based on updating our political, commercial, cooperation and dialogue instruments. Therefore, it is in this context that the signing of global or trade agreements, and their entry into force, is essential. The Ambassador cited as examples the agreements between Chile or Mexico and the European Union, which could serve as a framework for future bi-regional collaborations. Thus, the promotion of trade or global agreements, the signing and their entry into force, must occur in the context of a renewed bi-regional EU-LAC dialogue which, in the same way, will contribute to the strengthening of the bilateral relationship of each country with the EU.

On the other hand, the Mexican Ambassador pointed out that CELAC has made progress in strengthening capacities in matters of cooperation, consultation and coordination among members and highlighted, among the contents of the CELAC 2021 Work Plan<sup>7</sup>, the post-pandemic economic recovery, which includes, in particular, a regional health strategy against Covid-19, a comprehensive risk management strategy for natural disasters, as well as a broad agenda in education and the fight against corruption, and programmes in Science, Technology and Innovation, linked to social inclusion and aerospace cooperation. In turn, CELAC also works to strengthen the institutional structure itself, but also in terms of historical memory and cultural heritage. Furthermore, the Ambassador mentioned the discussions that are taking place among the member countries of CELAC around the reactivation of the economy in the medium and long term, the self-sufficiency of the region in medicines and access to vaccines and security materials, as well as the exchange in food security and the promotion of Latin American unity.

In agreement with Claudia Gintersdorfer's presentation, Ambassador Granguillhome referred to the need for a renewed agenda between the EU-LAC, by holding a bi-regional meeting that updates commitments, renews and modernises the dialogue, and defines the bi-regional relationship in the context of the (post-) Covid recovery. In turn, he stressed his commitment to work towards the fulfilment of a next bi-regional summit and contribute to its agenda and results.

---

<sup>7</sup> See CELAC Work Plan 2021; available online: <https://ppt-celac.sre.gob.mx/es/plan-de-trabajo/estrategia-contra-covid-19-recuperacion-economica>

## 4. Fourth Day

THURSDAY, 22 JULY 2021, 4 P.M. – 7 P.M. (CEST)

# ECONOMIC DEVELOPMENT AND REGIONAL INTEGRATION. A SUPRANATIONAL UNION AS A REQUIREMENT OF GEOPOLITICAL PRESENCE

**CAMPUS YUSTE**  
(ONLINE - 2021)

**LAS RELACIONES UNIÓN EUROPEA-AMÉRICA LATINA Y EL CARIBE: UNA AGENDA RENOVADA Y UN PROGRAMA PARA LA RECUPERACIÓN EN EL MARCO DE LOS ODS**

**Día 22 de julio**

**RAMON JAUREGUI ATONDO**  
Presidente de la Fundación EuroAmérica y Miembro de la Academia de Yuste

**DAVID CABRERA RELOBA**  
Director Ejecutivo Interino de SICA-CENPROMYPE

**MARÍA SALVADORA ORTIZ**  
Directora de Relaciones Externas en la Secretaría General Iberoamericana (SEGIB) y Miembro del Patronato de la Fundación Yuste

**SUSANNE GRATIUS**  
Directora del Departamento de Ciencia Política y Relaciones Internacionales de la Universidad Autónoma de Madrid

**INMACULADA RODRÍGUEZ-PINERO FERNÁNDEZ**  
Diputada al Parlamento Europeo. Presidenta de la Delegación en la Comisión Parlamentaria Mixta UE-Chile

**ANTONIO ROMERO GÓMEZ**  
Decano de la Facultad de Economía de la Universidad de La Habana (Cuba)

### PANEL 1

## PARTNERSHIPS FOR RECOVERY. BUILDING REGIONAL AND BI-REGIONAL MARKETS THAT INTEGRATE SUSTAINABLE DEVELOPMENT ECONOMIES

**David Cabrera Reloba** | Acting Executive Director of SICA-CENPROMYPE (Central American Integration System - Regional Centre for the Promotion of MSMEs)

David Cabrera first introduced the work of SICA-CENPROMYPE - Central American Integration System and Regional Centre for the Promotion of MSMEs - as a technical agency specialised in the promotion of micro, small and medium-sized businesses in the eight countries that make up SICA. In this sense, SICA focuses on axes related to environmental sustainability, institutional strengthening, democratic security and economic integration, and is responsible for coordinating integration processes with

other types of institutions at the sectoral level. Meanwhile, CENPROMYPE seeks to contribute to the productive development of micro, small and medium-sized businesses, as well as to improve the quality of life of workers and people who are linked to them, through the strengthening of public and private entities that support the business and financial development services of MSMEs. This by:

1. Strengthening organisations that support micro, small and medium-sized businesses by improving their levels of specialisation and modernisation.
2. Setting up and strengthening regional mechanisms and instruments that facilitate the development of MSMEs, specifically, in the processes of economic integration, taking advantage of the Central American Common Market and trade integration at the regional and international levels.
3. Improving the knowledge of MSMEs in general and specific terms. This, in particular due to the scarcity of information that leads to cost-effective interventions, for this reason CENPROMYPE, through the Regional Observatory of Competitiveness of MSMEs, seeks to analyse the problems of the needs and challenges of Central American MSMEs, which allows, in turn, the link with other institutions at the regional level.
4. The contribution to the design of public policies to promote competitiveness and promote the development of MSMEs. In this sense, CENPROMYPE seeks to promote the countries of the region from policies and laws related to entrepreneurship, the competitiveness of MSMEs, areas of entrepreneurship and the generation of a regulatory framework solid enough to promote competitiveness and productive improvement of MSMEs.

Likewise, Cabrera pointed out that SICA-CENPROMYPE has a series of instruments ranging from the political to the technical and that allow to promote the effect of interventions towards the achievement of the SDGs in the countries. In this regard, he noted that regional organisations cannot be attributed a direct impact to the SDGs, but they have an effect, meaning that countries can work on different aspects to achieve them. In that sense, the Tegucigalpa Protocol - the Magna Carta of integration - and the Protocol of Guatemala, which governs the economic subsystem and economic integration, establish the regulatory framework and the approach towards the medium and long term, important to promote sustainable impacts. Furthermore, the political-technical instruments approved by the Presidents, such as the regional MSME agenda and SICA-Emprende, allow to influence public policy issues; for example, specific entrepreneurship laws, or the establishment of priority themes to carry out more effective interventions, depending on the times and the environment. The Regional Strategy for Productive Articulation facilitates, for its part, the fulfilment of the objective of articulation and commercial dynamism within the region and leads to the fulfilment of the Institutional Strategic Plan.

Moreover, David Cabrera emphasised the work of SICA-CENPROMYPE to provide advice, technical assistance, as well as to carry out research and studies, and to promote innovative financing schemes for MSMEs, regional authorities and private business development service providers, to streamline the competitive processes of the final beneficiaries. Likewise, the institutionalism of SICA-CENPROMYPE allows sectoral interventions to be carried out with the other institutions of the system, in order to streamline processes and the exhaustive coordination of resources and not duplicate programmatic and interventions.



Furthermore, David Cabrera pointed out that 99% of central American companies are MSMEs, and of these, 83% are microenterprises that have between 1 and 3 employees. Likewise, he indicated that in the region there are almost 60 companies for every 1,000 inhabitants of the economically active population. In this regard, according to Cabrera, the main challenge of the region is to consecutively increase the size of companies. That is, to move micro to small enterprises, and small to medium-sized enterprises, thus overcoming bottlenecks in terms of growth and productivity. For this, according to Cabrera, the intervention in companies depends on the stage of the business development life cycle in which they are located.

In this sense, SICA-CENPROMYPE generates a framework for action in each of the stages of the interventions, related to statistics, analysis and generation of information on MSMEs. In the same way, it promotes business development services adapted to each stage, promotes inter-institutional articulation at the national and regional level, and develops financing schemes, away from welfare, that promote growth, focused on companies in the region with scalable business models, and with a vision towards the schemes of use of the agreements - in particular, those of EU partnership - as well as, financial schemes focused on accelerating the growth of companies beyond seed capital that generate agile and impactful interventions.

It is important, according to Cabrera, that any intervention framework is based on a cooperation scheme and, as far as possible, has the support of the EU through South-South or Triangular Cooperation systems, which contributes to competitive improvement, and that allows adapting the management of knowledge and experiences to the contexts of each of the countries of the region. In this regard, the scheme of attention centres for MSMEs in the eight countries allows adapting the entire programme to more than 100 centres and other partners in the private sector, which facilitates direct and indirect assistance to more than 20,000 companies per year and at different stages of the business development cycle. As examples, in terms of South-South Cooperation, the programme "Transfer of the methodology of promotion and attention of productive entrepreneurship with social impact, aimed at groups in vulnerable situations" coordinated by CENPROMYPE and the Chilean Agency for International Cooperation for Development (AGCID), allows to share and adapt the Chilean model of entrepreneurship in vulnerable groups to other countries in the region. Meanwhile, an EU-Colombia-SICA Triangular Cooperation initiative has allowed the transfer of tools and capacity building, for the adaptation of knowledge on entrepreneurship policies and services and the strengthening of business capacities from Colombia to the countries of Mesoamerica.

Cabrera also mentioned the EU-CENPROMYPE regional programme "Support for the Development of the Private Sector in Central America (ADESEP), which seeks to promote and strengthen entrepreneurship and competitiveness of the private sector and has allowed significant interventions, such as the development of the Observatory and the Regional Innovation Centre, focused on agri-food and fisheries products, which allow working in areas of food security and in ventures of high social impact, as well as developing the entire scheme of the regional policy on MSMEs towards a vision of 2050, and strengthening the scheme of attention to MSMEs through the MSME care centres, among other results. On the other hand, referring to the challenges of cooperation schemes, according to Cabrera, we

must change reactivity for proactivity and resilience, since many programmatic schemes of cooperation are very reactive. Moreover, it is necessary to generate relational schemes that promote a 360 degrees communication between the partners. This, through the design of programmes focused on the integrated management of the strategies and guidelines of cooperation in the face of the needs that the region may have, and by prioritising the impact on the activity.

On the other hand, Cabrera mentioned that SICA-CENPROMYPE has identified and focused on economic and social challenges around the effects of the pandemic. In the economic sphere, there was a change in consumption habits and in the way of doing business, as well as a slowdown in the sector. More than 60% of companies stopped operations during 2020, - a decrease in both the availability of inputs and liquidity; 80% of the companies were not prepared and practically 60%, had a liquidity scheme that would not withstand more than six months - as well as the decrease in tax revenue. On the other hand, in the social sphere, which is dependent on the economic one, there were high rates of unemployment and an increase in informal employment. At the end of 2020, there were half a million unemployed in the region, in addition to the 2 million people joining the economically active population, of which only 20% have access to formal employment. Likewise, the loss of purchasing power, the decrease in social and health coverage for employees, as well as the increase in inequalities, which significantly affect women in different areas, from domestic violence to the business environment.

According to David Cabrera, the solutions will depend on the evolution of the pandemic and vaccination campaigns in the region. However, SICA-CENPROMYPE has focused on a scheme of measures, which in the short and medium term support the reactivation of the sector during the pandemic, and in the long term seek to strengthen and consolidate MSMEs as leading actors in economic and social development. Additionally, SICA-CENPROMYPE has managed to guarantee the supply chain and food security, the sectoral and productive positioning of the region and the sectoral promotion for the recovery of both state and private assets, in a scheme of sustained growth of the economies. This, through the analysis of supply and demand of national and regional markets, using techniques related to Data Engineering and Business Analytics that allow identifying and classifying MSMEs, key actors, policies and instruments and market access opportunities that promote growth and entrepreneurship, such as, for example, the generation of intermediate goods, the use of trade agreements, regional value chains, productive chains and innovation. Furthermore, the prioritisation of sectors with which to work the "Pull Effect" and acceleration of processes, such as the primary, manufacturing and value-added sectors, and the service sector, and where transversally technological adaptation and electronic commerce are a common denominator.

In turn, Cabrera indicated that the real needs that have emerged during this last year at the national and regional levels have been identified, including and in the long term, the need for a regional MSME policy with a vision to 2050 – and with a mid-term review in 2030, around the progress of the SDGs–, as well as an implementation and financing strategy, which allows an update of policies and leads to a network policy for the economic and social benefit of the region.

**Ramón Jáuregui Atondo** | President of the Euroamerica Foundation and Member of the Yuste Academy

In his presentation, Ramón Jáuregui sought to analyse the importance of regional integration as an instrument of economic and social development of the countries of Latin America, understanding integration as a necessary construction in the time we live, both as a requirement of geopolitical presence, and as a requirement for any commercial framework and economic and financial attraction. Jáuregui raised the question of why Latin America has not achieved a satisfactory development of its regional integration, taking into account the structural problems of the region, such as inequality, the lack of sufficient fiscal income to develop powerful States and the need for a social redistribution favouring economic development. According to the speaker, Latin America competes badly in a globalised world, due to its lack of regional integration, characterised by limited progress in the structuring of regional common markets, insufficient trade and economic cooperation, and lack of regulatory harmonisation. Furthermore, Jáuregui attributed part of the frustrations to the progress in regional integration to a misinterpreted sovereignty, to conflicts of political interests, to the lack of the corresponding authorisations by the political elites, among other reasons.

On the other hand, according to Ramón Jáuregui, following the creation of the European Common Market, around 1960, similar commercial structures of Latin American integration were generated in theory, but with insufficient results. As an example, he classified the Latin American Integration Association (LAIA), regional trade associations, the Andean Community, the Central American Common Market, the Caribbean Common Market, Mercosur, as structures that have not managed to advance satisfactorily, given the frequent ideological tensions between the political systems that integrate them. On the other hand, according to Jáuregui, in the existing spaces there is evidence of stagnation. For example, in the Pacific Alliance, there is a fundamental focus on exports to Asia through the Pacific, but no progress has been made on the integration of its markets, the harmonisation of its regulations or the creation of a Common Market. In other words, the Pacific Alliance has had an outward projection, but it has not had an internal harmonisation training to facilitate synergies of competitiveness and progress, or even of cheapening services. Similarly, CELAC, which politically groups Latin America and the Caribbean, has suffered an internal fracture as a result of the crisis in Venezuela and the creation of the Lima Group, leaving in suspense the holding of Summits with Europe, for example. Brazil's decision to suspend its membership in CELAC further weakens this body that sought to strengthen Latin American and Caribbean integration. Mercosur, with an existence of 30 years, has gone through internal tensions; still latent are, in particular, the problems that Argentina has with Brazil and Uruguay in a multitude of aspects, as well as the interests of third parties, which has not allowed progress with issues that favour the Common Market of its members.

In this sense, the absence of an integration that allows Latin American countries to have a broader geopolitical, geoeconomic and geocommercial capacity aggravates the problems of LAC. According to Jáuregui, integration is one of the factors that influence when examining the future of the regions in the context of a changing world towards polarisation

between the United States and China, not only geopolitically, technologically, militarily and politically, but also in the commercial and economic spheres. In addition, according to Jáuregui, it must be considered that Latin America has less attractive capacity with respect to investments of, and integration into its value chains in trading with the great world economic poles. This disintegration forces the region to negotiate country by country, according to the interests of these great poles and in terms of weakness on the part of individual States. The largest countries in Latin America by themselves - Brazil, Mexico or Argentina - have a greater capacity for attraction and, therefore, greater economic and industrial development, since they have wide market spaces, which offer stability, and therefore are very attractive for large companies, which invest, for example, in renewable energies, in automotive or digital.

The integration of LAC would multiply the attraction of international financing, since the presentation of joint plans - for example, for the development of territorial unification infrastructures such as railways, ports, roads, or the development of communication infrastructures and digital platforms, among others - to international markets, investment funds or multilateral human development banks are more attractive. Likewise, in the current context of the pandemic, regional integration would increase the negotiating capacity for the acquisition of vaccines and the achievement of aid through international cooperation systems. According to Jáuregui, the European Covid-19 Response Plan and debt mutualisation were feasible in part because Europe has the common currency and financial institutions. The experience of integration from a variety of countries gives the EU a greater capacity to borrow as a region and allows it to lend resources to countries for the implementation of economic reactivation policies in the digital and environmental fields, among others.

With this in mind, Jáuregui reiterated that the absence of integration into LAC is a very important problem for the future development of the region. And around this, the speaker referred to three concepts which, according to him, are established in a distorted culture of integration policy:

- False argument that attributes greater sovereignty to countries that have in themselves a closed organisation, because it is considered that it is not sovereign in integration. Refuting this idea, through the example of the EU, Jáuregui stressed that the integration of the 27 countries and 500 million people has generated the capacity to buy vaccines, reactivate the economy, develop joint plans, and plans between cross-border areas, and a development of the culture of strategic autonomy in the face of relocations. Likewise, it indicates that the integration of policies, capacity and common currency, entails, in turn, a much more important geopolitical force in the region. For this reason, according to Jáuregui, sovereignty is acquired by sharing sovereignty, and in a world that is moving towards integration and supranational integration, sovereignty should not be confused with autarky, fracture and dependence.
- Exerting an effective weight in international geopolitics, or in the great international instances and institutions, like the United Nations, OECD, G20 and international agencies, it is only possible through the union and change of the aspects that do not work in multilateralism, since integration strengthens the region, and this leads to the defence of values, ideas, democracy, cooperation and multilateralism in these instances.

- The influence on major multilateral decisions on current issues: climate change, regulated international trade, pandemics and global health, fair taxation, the fight against opaque fiscal spaces, as well as world peace, the revision of United Nations rules, human rights and universal laws, decent work, development cooperation, the 2030 Agenda, migration agreements and the fight against drugs and drug trafficking, call for overcoming the nationalist conception of fracture. In Latin America, however, political differences have been present in the progress of regional integration, governments have sought to impose ideologies or create supranational organisations according to a certain vision and logic, which on many occasions has hindered, and made difficult and unviable this integration.

By way of conclusion, Ramón Jáuregui shared five ideas:

1. Trade, economic and political integration in LAC is a necessity.
2. The integration process has to take place in regional spaces.
3. Integration requires a degree of political approximation that excludes vetoes and ideological pretensions, since many attempts have been made at regional organisation that have responded to ideological coordinates that prevent harmonising the political positions or democratic wills of the different countries. It is therefore essential to avoid ideological aspects in order to move towards common markets, on the basis of integration that requires an internal effort at regulatory and trade harmonisation.
4. Political integration is necessary to defend the common interests and values of the region, through an organisation or an attempt at regional and continental rapprochement and integration. And in this sense, CELAC has to recover its entity to have an interlocution with Europe, the United States and China.
5. Physical infrastructures, such as road connections, ports, railways, which are essential for greater connectivity and mobility within the region; as well as digital platforms and the fight against the climate change, are elements that favour regional integration and that LAC would have to take advantage of.

#### COMMENTS ON THE PRESENTATIONS OF DAVID CABRERA AND RAMÓN JÁUREGUI:

**Susanne Gratius** | Director of the Department of Political Science and International Relations of the Autonomous University of Madrid

First, Susanne Gratius stressed that integration is an advantage in this world characterised by interdependencies, but also stressed the exceptionality of the EU, which has to do with the history of this region. Indeed, according to the speaker, there is nothing like European integration in LAC, and it is difficult to transfer this type of supranational experiences. If institutions don't work well in LAC, Gratius asked, how do you create national institutions that work?

Gratius mentioned historical examples, such as the Andean Community, which to this day remains a relatively disintegrated space. In LAC there is a kind of defensive sovereignty, which also has to do with a defensive regionalism, and in this sense, we must discuss whether the US is part of the continent, and whether it is also part of the American integration process. Looking at the pandemic, the Pan American Health Organisation

(PAHO), the OAS system and its institutions played an important role and helped forge a more collective vision of how the issue should be addressed.

According to Gratius, economic integration in LAC has so far been limited, in part due to the region's dependence on the US and China. However, integration did work as a formula for peace. According to the speaker, Central America represents a very positive example of rebuilding society, and that was also possible due to an integration process that began 60 years ago. In this sense, the size also counts, because, according to the Director, the smaller the countries, the less chance they have of going alone to relate / confront the US or other external actors, including the EU. Similarly, Central America collaborated very well in requesting international cooperation, to present its needs together before the COVAX initiative, and to react in a rapid and coordinated way to the Covid-19 pandemic. Still, there are also some obscurities regarding how integration outcomes are measured.

For example, Central America reached in 2020 31% of imports and 57% of exports as compared to the previous year. This is important, but no country in the region reached, as underlined by a recent analysis by Pedro Caldentey, the EU level (60%). In this respect, it should be borne in mind that the geopolitical situation of LAC is different from that of the EU, as LAC shares the region with the US. This implies that there is a great dependence on the outside. In addition, there are many subsystems. There is a Central American subsystem, a Caribbean subsystem, UNASUR etc., which are integration subsystems. Then the speaker asked to what extent this supranationalism worked?

Her response was that the balance of social integration, especially in Central America, has not been positive. Therefore, according to Susanne Gratius, it is necessary to intervene to improve the social situation which is very unequal. Also, poverty levels are very high, and with the pandemic they increased even more. It is interesting to assess how integration can solve this situation, also with regard to the issue of migration.

To conclude, the speaker said that the pandemic caused a very marked recession in Central America, as well as in the EU, but the difference lies in the fact that Central America lacks the material capacities to get out of this crisis, and also, as it was said before, that its geopolitical context is very different. Differences in global positioning and differentiated capabilities are also reflected in the issue of distribution of coronavirus vaccines; in fact, 80% of vaccines have been hoarded by only sixteen countries.

**María Salvadora Ortiz** | Director of External Relations at the Ibero-American General Secretariat (SEGIB) and Board Member of the Yuste Foundation

First, María Salvadora Ortiz stressed that the problems of radicalism are not only in LAC, but also in Europe and in general in the world. One of the global problems is coincidentally political confrontation. So, the problems that affect LAC also affect, to different extents, many regions. That is why the bi-regional EU-LAC relationship is important, where common problems must be put on the table.

Secondly, the speaker stated that if the two regions had faced the pandemic more united, they

would probably have emerged better from the crisis. Integration alone could not have solved the problem of the pandemic, because it is very complicated, and it is composed of many factors.

Regarding the issue of integration, the speaker stressed that all the different integration mechanisms, or Latin American regional and subregional integration spaces, have different objectives. For example, the Pacific Alliance and UNASUR have different and specific objectives. There is a very serious issue, which is to integrate certain sectors of society that until now were excluded. So, beyond an economic and digital integration, it is also essential to promote integration within countries and open spaces and opportunities to citizens.

An element that differentiates LAC and EU is that through the EU integration process, institutions were created that generated integration mechanisms: citizenship, passports, borders, the euro. Latin American integration is different, it is not top-down, it's bottom-up. In the speaker's view, integration for the 21st century must focus on achievements, not on what was not achieved, and align political realities with aspirations. One area where there is room to deepen the bi-regional relationship is the area of science and technology to promote an exchange of knowledge.

To conclude, María Salvadora Ortiz affirmed that it is necessary to promote a multilevel and multi-stakeholder integration. The Latin American situation cannot be compared with that of the EU, and it is also necessary to advance on specific issues, common issues in a sectoral way, as, for example, is being done from the business field, or from the educational field.

In short, the question is not so much to compare Latin America with the EU in its integration process, but to analyse and understand the different reasons of each other, to establish a common look at the future and overcome the difficulties that each region has.

## PANEL 2

---

### FRAMEWORK FOR RELATIONS BETWEEN LAC AND THE EU AND THE EU'S ASSOCIATION AGREEMENTS WITH LATIN AMERICA AND THE CARIBBEAN

**Inmaculada Rodríguez-Piñero Fernández** | Member of the European Parliament. Chair of the Delegation to the EU-Chile Joint Parliamentary Committee

To begin with, the MEP raised three points in relation to the international context in economic terms:

1. 90% of global growth is generated outside the EU, and 1/3 of it in China.
2. By 2030, it is estimated that developing and emerging countries could account for almost 60% of global gross domestic product; in addition, a quarter of this global GDP will be generated by international economic activity.
3. A good regulation of economic globalisation is necessary to make it progressive and inclusive. But it must be acknowledged that the past 30 years of international economic globalisation allowed world GDP to multiply by 6, thus facilitating the development of less favoured regions.

However, LAC is witnessing a growing defence of protectionism. As a result of the crisis, nationalist and populist drifts occurred. According to the speaker, taking refuge in the pillars of a single country does not allow us to face global challenges. On the contrary, the great challenges, such as, for example, the pandemic, or even more climate change, migratory movements, terrorism, cyber threats, no country can face alone. So, it is essential to build a globalisation in the sense of the ability to interact and associate, in a way that allows to obtain beneficial results for everyone.

In this context, the Covid-19 pandemic – although it is not the first or the most lethal pandemic that hit humanity – is the first pandemic episode on such an interconnected planet, and it is what led to a rapid explosion and multiplication of contagion around the world. In the case of Latin America, the Covid-19 crisis is being felt with great virulence, from an economical, health and political point of view. Five countries in Latin America are among the 20 countries with the highest number of cases. Brazil is responsible for 40% of Covid-19 deaths in the LAC region, and Peru is the country with the highest incidence in the region.

The pandemic put all countries, including European ones, in the mirror of their own weaknesses, the shortcomings they have, their structural deficits and the lack of regulation that the development model had. The speaker warned that China is expanding at the cost of limiting the opportunities and potentials of other countries. One would have to be very careful with the consequences of China's investment and invasive policy in Latin America because it certainly does not favour a strategy of development cooperation in the countries where it invests.

In the case of Latin America, the pandemic effectively increased the region's economic, social, and political weaknesses, namely:

- the increased weight of the informal economy;
- deep inequality;
- the shortcomings of public health systems;
- the lack of information on the pandemic and the misinformation that has been observed in some countries;
- the loss of confidence in politics.

However, there are also positive aspects regarding the overview that will lie ahead in the coming years. In its latest report, for example, the World Bank reveals that the production of minerals, which are fundamental for the development of the region, such as graphite, lithium and cobalt, will increase by 500% by 2050, to meet a growing global demand and precisely to achieve the ecological transition. The important thing - highlighted Inmaculada Rodríguez-Piñero Fernández - is to develop the exploitation of these minerals from sustainability, and from the reinvestment to the producing countries themselves in more diversified development strategies.

In addition, Latin America needs to continue addressing profound reforms, although the pandemic paralysed this dynamic, where the EU, through development cooperation and the projects it is promoting, wants to influence the acceleration of these processes. But there the commitment of all groups, of economic agents, and of social agents, and of universities as well, is fundamental.



Regarding the lack of training of the Latin American business fabric, the EU should promote more technological cooperation and innovation, and business and civil service training in Latin America.

In all this context, it is clear that the pandemic also highlighted the fundamental role of global supply chains, which are undoubtedly the determining element of the production model and of the behaviour of the world economy. According to the MEP, the complexity of these chains, the increasing fragmentation of production across borders, and the unequal distribution of benefits, undoubtedly have some important implications in terms of achieving the necessary strategic autonomy of supplies.

To achieve regional integration, there must first be economic cooperation within Latin America and economic cooperation through political, association and trade cooperation agreements with the EU. First, Latin America is a strategic partner for the EU. The EU is LAC's third largest trading partner, the largest investor and the largest provider of development cooperation. But this situation is being weakened by the impressive progress that China is making, it being the second trading partner in the ranking. The EU, according to the MEP, has to recover the lost space, since a solid relationship between the EU and LAC forms the basis for the development of this important region of the world, and, therefore, generates more global stability.

In recent decades, the EU and LAC have made progress in an unprecedented process of economic and trade integration. Of the 33 countries in Latin America and the Caribbean, the EU has signed trade cooperation agreements with 27 countries. In addition, a political agreement was concluded with the MERCOSUR countries - which has not yet been concluded - and therefore the EU has signed agreements with all Latin American countries, with the exception of Bolivia and Venezuela. With regard to Bolivia, the EU is trying to work together with the country to see if the right conditions are created for it to join the Andean Pact agreement with Peru, Colombia and Ecuador.

These agreements, from a strategic point of view, are so important for both regions, and also for the global context, because the EU and LAC represent a third of the total population of the United Nations and around 25% of the world's GDP. Together the EU and LAC have an enormous capacity to influence the defence of global governance and the development of fairer and more responsible international trade. Therefore, in the current international context, where such tensions towards protectionism and nationalism occur, it is crucial to demonstrate that the EU and LAC share principles and values, and want to intensify their relations to cooperate more, and to assume greater responsibilities in defence of a rules-based multilateral system, in respect, and in dialogue.

Undoubtedly, it is not an easy road and there are challenges to which the two regions must respond in order to achieve greater integration. The first is the loss of EU market share to China. The second is Latin America's over-dependence on the US. With the help of the EU, the region can diversify its economy, its exports and its sources of supply, - This so that LAC improves its long-term growth prospects and increases its weight in the world economy. The goal is to face physical distance with a greater capacity for integral action. In this sense, economic and productive digitalisation also has an important role to play. For all these reasons, it is necessary for the EU and LAC to strengthen their relations.

From the speaker's perspective, the implementation of the agreements and incentives between the US and LAC should be improved. In fact, the new trade agreements signed by the EU with its partners are much more ambitious agreements and have incorporated elements that are essential to achieve a further deepening of economic and trade relations between the two regions. The new trade agreements with Mexico and Chile, for example, incorporate a specific chapter for SMEs, which specifies that all processing must be simplified. There is also a specific chapter to open up public procurement markets. The chapter on sustainable development sets out the regulations that guarantee standards that are equivalent to those required by the EU of its producers in terms of social and environmental working conditions. The agreement with Chile will be the first trade agreement to incorporate a chapter dedicated to the issue of gender, to ensure that the benefits of the trade agreement take into account the specific conditions of women, and so that women can benefit from commercial capacity in the same way as men.

Finally, with regard to the pending agreement with MERCOSUR, although a political agreement was concluded, the European Parliament expressed its clear position: the agreement must be accompanied by a legally binding instrument, more ambitious in scope, and above all in the implementation of the commitments. Together MERCOSUR and the EU mark a market of 750 million people. Therefore, being able to conclude the signing of the agreement and implement the agreement would mean consolidating deep relations with the region within the framework of a strategic partnership that is fundamental and that would also help the regional integration of MERCOSUR and undoubtedly of MERCOSUR with the rest of Latin America. It is therefore crucial that this agreement is signed, and that this agreement is ratified in the European Parliament, because the cost of not reaching it would be very high for both parties, and also for international trade.

Inmaculada Rodríguez-Piñero Fernández concluded by stressing that EU-LAC relations are crucial for the two regions, for global stability and for global development, and specified that MERCOSUR also plays a fundamental role in this system of relations.

#### COMMENTS TO THE PRESENTATION OF INMACULADA RODRÍGUEZ PIÑERO FERNÁNDEZ:

**Antonio Romero Gómez** | Dean of the Faculty of Economics of the University of Havana

The central objective of Dr Antonio Romero's intervention was to assess the elements that point to the contribution that bi-regional relations between the EU and LAC can have to address the fulfilment of the SDGs of the region, but also to face the challenges of the current crisis. In this sense, Romero indicated that the current global crisis has shown the vulnerability of international production networks and has also reinforced trends towards a lower level of productive and commercial interdependence among the main economies of the world and deepened the weakening of international cooperation through multilateral tools. Latin America and the Caribbean has been the region most affected in economic and social terms by the crisis and Covid-19. However, much of the determinants that exacerbate the negative effects that the pandemic had on the region were present in the regional context long before. Therefore, the response to the crisis should, according to the speaker, include actions to correct unsustainable courses of action that in recent times had been generalising.

Looking at the data up to December 2020, a lost decade in terms of economic growth in our region was evident. Estimates indicate that LAC's GDP per capita in December 2020 was equivalent to GDP per capita recorded in 2010. Likewise, these aggravated impacts that the Covid-19 crisis has had on the Latin American and Caribbean economy and society are determined by persistent limitations and structural obstacles that in a long historical period have been obstacles to regional development, among which are:

- Persistent structural economic and social gaps, including social exclusion, gender discrimination, marked differences between urban and rural areas, and productivity differences within the different economic agents of the region;
- the limited fiscal space the region has to meet the challenges of the crisis;
- low access to social protection, health services and coverage;
- high level of labour informality;
- productive heterogeneity;
- low productivity.

According to Romero, it is equally important to highlight that ECLAC points out that the strategy to face the region's growth and development challenges must be based more than ever on the central elements of the 2030 Agenda and the 17 Sustainable Development Goals. On the other hand, among the positive elements to consider, is the institutionalism that has been creating in turn, a commitment and a fairly widespread awareness of the importance of systematising, analysing, systematically evaluating the progress of countries in terms of compliance with the SDGs. In this regard, the fourth ECLAC report on progress in terms of the SDGs in the LAC region indicates that only one third of the indicators that account for the progress of the 17 SDGs suggest that it is on an adequate trajectory to comply with them.

ECLAC estimates that, after the pandemic, and even if LAC's GDP per capita grew by 5% by 2030 (which is quite difficult, given the degrees of structural vulnerability and uncertainty about the global economy and the regional economy) and the Gini coefficient in the countries would also be reduced by 1.5% until 2030, poverty would affect 5.8% of the total Latin American and Caribbean population, and therefore the SDG associated with poverty reduction would be breached, - this, obviously, with differences within the regions and within the countries. Furthermore, ECLAC estimates an average regional unemployment rate in 2030 of more than 8% for the entire population, and higher than 18% for young people between the ages of 15 and 24. The domestic consumption of materials - a key indicator to measure sustainability, in relation to the use of natural resources and environmental means for economic growth - would reach 9400 million tons, that is, it would have an increase of 76%, higher than in 2000. This, in turn, poses significant challenges to achieving the SDGs.

On the other hand, in Latin America and the Caribbean the loss in social terms is much more marked. The indicators of increase in extreme poverty until December 2020, and the notable increase in terms of poverty that was observed between 2019 and 2020, reflect, in December 2020, levels of extreme poverty and total poverty similar to those registered by the region a decade and a half ago. In other words, there is a 10-year setback in social terms, particularly with regard to poverty and distributive inequality.

Romero also mentioned that there is a consensus in the region on the need for an integrated analytical framework to face the challenges of LAC, which have to do with structural conditions that are at the basis of the functioning of Latin American and Caribbean economies, society and institutions. This integrated analytical framework would account for progress on the SDGs with clearly identified and interconnected dimensions. On this, economists, ECLAC and other regional organisations agree that there are three types of growth rates that are decisive for estimating the region's progress until 2030 in complying with sustainable development:

1. Growth rate of the economy compatible with external balance; the region has serious limitations in terms of external financing and the ability to finance imports of goods and services to ensure economic growth;
2. Minimum growth rate to reduce inequalities;
3. Growth rate compatible with environmental sustainability.

These growth rates respectively reflect external financial constraint, the need for growth to reduce inequality, and the need for productive transformation to advance in terms of environmental sustainability. And in turn, they reflect, according to Romero, "the Gordian triangle" of development in LAC in the context of the pandemic. This triangle indicates that, in the current situation of LAC, the challenge in terms of long-term policy is to converge the growth rate compatible with external constraints and the growth rate compatible with environmental sustainability, in order to achieve the growth rate that allows equality to be achieved.

With regard to bi-regional relations between the EU and LAC and the question of how they can contribute to the advancement of the structured transformation sought in the region, Romero confirmed what was stated by Inmaculada Rodríguez-Piñero Fernández, that is, that 31 of the 33 member countries of CELAC have EU association agreements in force, which provides institutionalism to regulate and promote relations between both regions. Except for the case of the agreement with Cuba, all EU and LAC agreements are based on 3 pillars: political dialogue, the trade or free trade agreement itself, and the cooperation agreement.

In addition to this, and making a comparative analysis of the contents, nature and provisions present between the agreements, it is evident that the EU-LAC agreements have in the first place a better or greater comprehensiveness in the approach to economic and commercial relations between the two regions, and secondly, they reflect to a greater extent the issue of asymmetries, and in the same way, the differences and heterogeneities that exist in LAC. Most of these agreements, for example, in the case of liberalisation of trade in services, are established on the basis of positive lists, while agreements with the United States are made on the basis of negative lists, differences that have political significance. In addition, the agreements with the EU tend to strengthen regional integration, which is a basic requirement to advance in the issue of transformation with equity and to grant a greater degree of autonomy to Latin American and Caribbean countries, essential to advance in pursuit of development.

From an economic perspective, analysing trade in goods and services, investment and cooperation; the European Union remains the second most important external economic partner of Latin America and the Caribbean. This, with certain differences within the region, in particular, in Mexico and most of Central America, where the weighting of the United States is very strong, since they have consolidated regional value chains that respond to the central value chain in the United States.

Despite the criticism of European integration, and the type of relations established within the frameworks of the association agreements between the EU and LAC, Romero considered that these cooperation ties are fundamental to address the following thematic areas, essential for the transformation in the region:

- productive transformation, focused on progress on issues related to industrial policy and SMEs;
- social inclusion, since the concept, principle and strategy of European social cohesion is very important for LAC, as it is related in turn to the modifications to the public health system sought by the region;
- sustainability and renewable energy are an important part of the investments of the European Union's cooperation funds in LAC;
- and international insertion, including trade facilitation, investment, and learning about the process of European integration.

Furthermore, ECLAC in its latest report identified eight sectors that stimulate productive transformation in LAC, as well as the establishment of cooperation alliances with the EU:

1. Energy transition;
2. Sustainable mobility and urban spaces;
3. Digital revolution;
4. Health manufacturing sectors;
5. Bioeconomy;
6. Valorisation and expansion of the care economy;
7. Development of the circular economy; and the
8. Sustainable recovery of the tourism sector, which has been the hardest hit sector in the region and which has greatly affected the economies of the Caribbean, as they are economies highly dependent on tourism.

In summary, according to Antonio Romero, the EU has much to contribute, in all policy areas and in the sectors mentioned, which today are considered as driving forces to face the challenges of LAC.

## 5. Fifth Day

FRIDAY, 23 JULY 2021, 4 P.M. – 7.30 P.M. (CEST)

# LATIN AMERICA AND EUROPE FACING THE OPPORTUNITIES OF A CHANGING WORLD. DIGITAL AND ECOLOGICAL DISRUPTIONS AT THE HEART OF THE TECHNOLOGICAL REVOLUTION



**CAMPUS YUSTE**  
(ONLINE - 2021)

**LAS RELACIONES UNIÓN EUROPEA-AMÉRICA LATINA Y EL CARIBE: UNA AGENDA RENOVADA Y UN PROGRAMA PARA LA RECUPERACIÓN EN EL MARCO DE LOS ODS**

**Día 23 de julio**



**ANTONI GUTIÉRREZ RUBÍ**  
CEO de IDEOGRAMA



**CARLOS LÓPEZ BLANCO**  
Presidente de la Comisión de Economía Digital de la Cámara de Comercio Internacional



**PABLO BELLO**  
Directivo de WhatsApp en Brasil



**ROLANDO CASTRO-CÓRDOBA**  
Ministro en funciones y viceministro de Energía y Calidad Ambiental de Costa Rica



**YOLANDA GARCÍA MEZQUITA**  
Jefa de unidad adjunta en la unidad A1 "Interinstitucional y Estados Miembros" en la Dirección de Estrategia y Coordinación de la Política Energética Europea. Comisión Europea



**JUAN LUIS BALLESTEROS**  
Analista Político de la Comisión Europea en España desde 2016



**ANNA BARRERA VIVERO**  
Coordinadora de Programa Sénior. Fundación EU-LAC



**JUAN CARLOS MORENO PIÑERO**  
Director de la Fundación Academia Europea e Iberoamericana de Yuste

### INTRODUCTION:

### TECHNOLOGICAL DISRUPTIONS IN A CHANGING WORLD

**Antoni Gutiérrez-Rubí** | CEO of IDEOGRAMA

Antoni Gutiérrez-Rubí began with a reflection on the word "disruption" – an important concept to understand the challenge that humanity faces. Usually, social, economic and political changes need some time for change to take hold. On the other hand, technological change needs very little time to achieve a significant level of penetration. This is well described, according to Gutiérrez-Rubí, in Larry Downes' Law of Disruption:

"Social, political, legal and economic systems change incrementally, but technology changes exponentially."

Illustratively, Antoni Gutiérrez-Rubí presented the following table, offering an estimate of the number of activities and data generated online in one minute in 2020:



This, according to the speaker, opens up a scenario of threats and opportunities.

Threats:

- Economic Gap:** There will be winners and losers in the Covid-19 crisis. According to World Bank data, the pandemic crisis is causing a 20-year setback in terms of processes and development. Almost 100 million people in LAC are going to change their social status, that is, from lower-middle classes to low, very low, or poor. Therefore, there will be winners and losers. The business winners of the pandemic are technological; for example, of the eight companies with the largest market capitalisation in the world, only one is non-technological (the state oil company Saudi Aramco). With respect to the losers, in LAC the pandemic caused the worst contraction of the last 100 years in the region, with a huge loss of jobs. So, the post- Covid-19 recovery of the labour market in LAC is expected to be very slow.

2. **Technology Gap:** The technology gap is going to cause the North/South border – which was thought controllable thanks to cooperation – to come back. In fact, this technological gap will cause a more pronounced division between the North and the South, where the South will have to face both this technological disruption and a 20-year setback in terms of development and social progress.
3. **Digital Gap:** Broadband Internet access does not reach 50% in the region, which translates into digital exclusion and fewer opportunities for many people. The consequence is that the digital infrastructures of the Latin American region suffer extraordinarily. For some time now, there has been talk of the "digital poor".

Despite these gaps, Antoni Gutiérrez-Rubí stressed that there are important 'digital champions' in LAC, capable of generating an attractive economy. There is also a lot of talent, because many entrepreneurs in LAC have labour, professional, economic, technological mobility, and have the creativity required to understand the opportunities. During the pandemic, in a span of just three months, LAC has experienced an acceleration of digital transformation that had been anticipated to occur in three years.

Opportunities:

1. **Social commitment:** There are sectors that transitioned to teleworking in LAC, with at least 23 million people involved. During the pandemic, teleworking gave continuity to businesses and jobs. This leap leaves open a scenario of opportunities. For example, there are experiences related to tourism in Peru and the Dominican Republic that promote innovation linked to new technologies in the tourism sector.
2. **Economic commitment:** The ranking of the best valued start-ups in the world includes 17 companies of LAC origin that proved to be disruptive in their segment.
3. **Ethical commitment:** Experiences are appearing in LAC that can serve as pioneering examples, which can create models towards the future. For example, Chile is the first country in the world to promote legislation to protect neuro-rights and thus address the risks of neurotechnology.

So, according to the speaker, there are hopeful elements that open up new opportunities, leading to think that, in this disruptive moment also, LAC may not only be in the field of threats, but that there is room to move forward.

But, on the other hand, if the main axes of post-pandemic recovery are sustainability, the environment and digitalisation, there is still too great a lack of connection between the fight against the climate crisis and the evolution of technological development. For example, it is important to underline that the internet also pollutes, as most data centres deliberately consume large amounts of energy in an incongruously wasteful way. In short, from the speaker's perspective, technological disruption is now both a risk and an opportunity. A shared agenda between LAC and Europe is therefore needed to ensure a sustainable and inclusive recovery.



## PANEL 1

---

### DIGITAL DISRUPTION

**Carlos López Blanco** | President of the Digital Economy Commission of the International Chamber of Commerce

Carlos López Blanco structured his presentation around five questions:

1. What are going to be the rich countries and the poor countries in the 21<sup>st</sup> century?

From the speaker's perspective, we must distinguish between the analogue world and the digital world, the analogue and digital economy, because soon they will be unique realities. In the 21<sup>st</sup> century the world faces a challenge that is not technological. When you talk about digitalisation you're not really talking about a technological disruption – this one came a long time ago. Rather, we are talking about an economic and social transformation, and probably the most important economic and social transformation since the industrial revolution. This is the challenge facing the EU and LAC. Faced with this challenge, the countries that best know how to digitise will be "rich", and those that are not able to digitise will be "poorer".

Such a radical transformation also entails opportunities that will be shared among all, and, in this sense, for the regions that in previous stages had greater development problems, great opportunities will arise. Digitalisation after the pandemic is going to accelerate and deepen because this pandemic in an analogue-only world would have been much worse. In addition, it was an unimaginable social experiment, accelerating processes that would have taken 5 or 10 years to occur. Therefore, for regions such as LAC, it is time to take advantage of certain opportunities.

2. Does Latin America and the Caribbean have the conditions of competitiveness to survive the digital century?

The 2021 challenge for LAC and EU is to digitalise the economy and society, and this does not require great technologies, but mature and accessible technologies. So, to be competitive in this digital world, three things are necessary: good infrastructure, a digitisable population, and proper policies.

3. What policies need to be strengthened to be competitive in the 21<sup>st</sup> century?

First, encouraging investment in networks. LAC needs appropriate regulatory policies, especially investment in new generation networks. Second, digitalisation has to be a political objective. Third, LAC has to recover regulatory intelligence, develop good digital regulation and practice tax policies that are not tax collection, which have as a fundamental objective the development of infrastructures.

4. Two structural challenges

According to Carlos López Blanco, two problems would have to be solved. First, the gap that affects SMEs. This is a problem that especially affects LAC, where the digitalisation of SMEs should be promoted. The other pending structural challenge is that, in the 21<sup>st</sup> century, the world is no longer a world of nations but of regions. It is a world of a set of countries, and those countries that are not integrated in ways that have a sufficient volume, will not be able to compete. In this sense, today, regional integration has never been more

necessary for Latin America and the Caribbean, and this issue has never been lower on the political agendas. Nowadays, regional integration is a requirement for competitiveness in the digital world. Without regional integration, LAC will not be competitive in the digital world. It is necessary, taking the EU as an example, to institute a digital single market, which requires consistent regulation and the creation of a market for digital services to develop across the region. This is the great challenge of LAC's regional integration.

5. What can LAC and EU do together in this context?

European policies are aimed at making the EU a leader in the world's most competitive digitalised economy. In this context, what can the EU and LAC do together? First, in digital terms the two are peripheral regions. But they can go back inside, in fact, the EU has a good strategy to regain lost ground, and LAC can take the EU as an example to develop its strategy. Second, digitalisation is an economic, political, and societal discussion. There are two models for 21st century society, which are not compatible: the American model and the Chinese model. Instead, the EU and LAC could take responsibility for building a digitalisation model that is based on democratic values. Also, LAC could learn from the European example of how to launch a digital common market and understand the role of a leader in regulatory issues.

Carlos López Blanco concluded by affirming that for LAC it would be key to learn how to take advantage of the opportunities offered by the pandemic situation – although difficult and terrible – to play a more relevant role in the digitalisation process.

#### **Pablo Bello** | WhatsApp Executive in Brazil

According to Pablo Bello, the economic development of Latin America in the last 50 years has not been a very successful case. If one compares the trajectories of Latin America with other regions of the world, today the gap in economic matters, in terms of GDP, for example, with respect to the US, is 8% greater. In other words, there is a greater gap today than in 1960 in terms of production capacity. The productivity gap between the US and Latin America today is 30% larger than it was in 1960.

According to OECD studies, no country in Latin America is close to making a leap to development in the coming years. According to the speaker, there are five main reasons why in the last five decades Latin America was not able to build an approximation strategy that allows closing these structural gaps:

- There is a deep inequality with regard to quality education. Only the wealthiest people have access to high-level education.
- There are significant gaps compared to developed countries in terms of infrastructure.
- Political and systemic institutions in the field of democracy management and in the economic sphere are still in an incipient phase of construction. New public policy designs and new institutional designs are needed.
- Difficulty in innovating, which has to do with institutional factors, but also cultural. In LAC there is a lot of capacity to create, but little to build. There is no culture of innovation.
- The pandemic laid bare some important elements, for example, leading to the impoverishment of the poorest.

In terms of technology and disruption, the speaker highlighted three models:

1. Model of digital infrastructures, connectivity, communications and the internet: In LAC, in recent years, there has been considerable progress in terms of coverage, but there are still millions of Latin Americans who are not digital users. In addition, although the prices to access the internet in LAC are relatively low compared to other countries, there are other barriers. On the one hand, the quality of service, on the other the absence of valuable local services, and thirdly the lack of knowledge and skills linked to the use of technology.
2. Model of technological development: LAC has a structural problem of low level of investment and technological development.
3. Model of using technological tools: It is essential to have a quality internet. But there are innovative use cases of these tools to generate better business opportunities. In this context, the pandemic made an important contribution, because it forced economic and social actors to seek innovative solutions in a context in which it was not being done with this intensity. For example, 80% of Brazilians say they have managed purchases through WhatsApp in the context of the pandemic. This is an example of a process of technological appropriation.

Pablo Bello concluded by affirming that the world is in a moment that represents a change of era, and a change of era produces a paradigmatic change at all levels. In this context it is essential to rethink everything. It is not yet known how to get out of the crisis, but it was found that humanity is in a new moment that invites us to think with fewer restrictions about what can be done. It is an opportunity to rebuild trust in the social pact, through social dialogue. The role of the state must be rethought, in terms of leadership and coordination capacity. LAC can build wider public/private collaboration spaces to develop more, and also to use available technologies more intensively, generating new solutions and models. So, in this change of era, technological appropriation, efforts to close the digital gaps, and thinking together to build a more integrated future are fundamental.

---

## PANEL 2

### ECOLOGICAL DISRUPTION IN LATIN AMERICA

**Rolando Castro Córdoba** | Acting Minister and Deputy Minister of Energy and Environmental Quality of Costa Rica

Mr Rolando Castro, in an introductory way, pointed out that the recovery from the economic, social and health crisis caused by Covid-19 must be a green recovery. He also referred to other crises that we must face and which he considers more durable, and which are, for the most part, caused by the human being, developed countries and disproportionate patterns of consumption, such as the climate crisis and the loss of biodiversity, as well as the consequences that these generate on other types of phenomena. By way of example, the Minister pointed to migration caused by climate change, a phenomenon that occurs all over the world, where the population of the countries of the South is migrating north, in search of opportunities and, consequently, leaving their rural areas in their countries

of origin, fleeing droughts or floods fomented by climate change. According to Castro, these systemic risks require comprehensive solutions, however, and as demonstrated by the pandemic crisis, the region was not prepared to face these systemic risks, so it has caused, in the same way, an economic impact, which will hinder the achievement of the SDGs and the 2030 Agenda, in addition to a negative growth predicted by the International Monetary Fund, that impacts in the same way, all the processes that were advanced to combat problems such as poverty, hunger, lack of education, among others.

Furthermore, in the search for recovery from the pandemic, although there is a great temptation many times to take short paths with more immediate effects, it is imperative to think about the long-term effects that these may entail, and to bear in mind the other global crises mentioned above. For these reasons, according to Castro, levels of ambition must be increased to seek a "green" or "blue" recovery, that is, a recovery that goes according to the new trends of sustainable economies. Additionally, taking into account that science and the Paris Agreement have set as a goal, net zero emissions by 2050 and the protection of 30% of the planet both on land and at sea, it is important to be able to promote strategies in the short, medium and long term that can positively impact the entire economy, both in the environmental field, as well as in the fields of energy, transport, land use, and other economic and social issues. Added to this, a proper economic transition should also generate employment and increase the GDP of countries.

Additionally, the Minister suggested that climate change should be addressed by contributing to more inclusive societies and overcoming structural lags in the development of our countries, such as the fight against poverty, access to basic services and gender gaps, which are aggravated through the effects of climate change and as a result of emergencies such as Covid-19. Likewise, unequal developments have been seen exceeding the limits that exist on the planet, as well as a proportional relationship between income and the environmental impact of a country.

On the other hand, the panellist shared some public policies, plans and strategies developed by Costa Rica to promote green, inclusive and sustainable development. For example, Costa Rica has had important achievements in the issue of decarbonisation, has an electricity matrix that is based on almost 100% of renewable energy and has also succeeded in stopping the deforestation process, - one of the largest emitters of CO<sub>2</sub> in the world. For these reasons, the country decided, in 2019, to launch its National Decarbonisation Plan to have a decarbonised economy by 2050. Similarly, the way in which this plan is established, seeks to contribute to the improvement of efficiency and productivity, to modernise and promote strategic investments aligned with climate objectives and the protection of biodiversity, as well as generate opportunities and green jobs, encourage innovation and a new economy based on 3 Ds: decarbonisation, digitalisation and decentralisation. The plan also identifies the main sources of CO<sub>2</sub> emissions and focuses on the following ten axes:

1. Public transport
2. Individual transport
3. Cargo transport
4. Electrical energy
5. Sustainable constructions

6. Industrial sector
7. Waste management
8. True agri-food systems
9. Livestock sector follow-ups
10. Management of territories with nature-based solutions.

Rolando Castro pointed out that the National Decarbonisation Plan is quite ambitious, given that it seeks to impact all these sectors for the generation of a decarbonised economy, but at the same time of an economy that seeks the development and well-being of the population. Additionally, in view of the inequality between rural and urban areas, the Government launched a strategy that not only seeks to have an inclusive and decarbonised economy, but also to impact rural territories and generate a green economy there, taking advantage of the characteristics, opportunities and challenges that each of these territories has. Likewise, a study carried out together with the IDB and academia concluded that the National Decarbonisation Plan would bring \$41 billion of net benefits to the country between 2020 and 2050.

Moreover, Minister Castro indicated that Costa Rica is a country that bases a large part of its economy on agriculture, livestock and forestry, so the greatest benefits of the National Decarbonisation Plan are also reflected in these sectors, in particular, towards improvement, greater efficiency and an increase in competitiveness in increasingly demanding markets. All the while, proper land management can even outweigh the cost/opportunity of forest land. In this sense, it is estimated that, in the agricultural, livestock and forestry sectors, net benefits close to \$ 22,000 million dollars would be obtained.

On the other hand, Castro stressed the importance of properly evaluating the public policies established, in order to measure the impact that they can have not only on climate change, but also on the economy. In this regard, a report by the University of Oxford analysed the different policy packages and the impacts they have on the economic and climate side, and stressed that investments in clean energy, in clean research and development, and in promoting people's connectivity, have better overall performance than other types of policies. In this sense, priority should be given to those sectors that have the greatest positive impacts not only on the economic, but also on the environmental, and nature-based solutions, adapting this to the context of LAC and the balance between rural and urban development.

The speaker emphasised the importance of having solutions based on nature, as it allows capitalising on the country's biodiversity and natural heritage and using the ancestral knowledge and solutions that nature itself offers. Among the policies that Costa Rica has been developing, we find:

The **Country Carbon Neutrality Programme**: It is a seal or badge, given to 172 organisations, in 1055 facilities in the country. This seal seeks important benefits for the activities or products distinguished by this programme, for example:

- Benefits and extra points in public tenders;
- Energy and process efficiency;
- Cost reduction and optimisation in the use of resources;

- Reaffirmation of commitments to climate action;
- Companies more responsive regarding climate change;
- Local companies with greater responsiveness to international markets;
- Brand recognition, image and differentiation;
- Improvement of information and decision-making systems in companies.

Moreover, Castro highlighted the existence of 23 communities, mostly from rural or tourist sites in the country, which have been distinguished with this seal, becoming more competitive tourist destinations and vessels and attractions for those more demanding and informed tourists.

Furthermore, the Country of Carbon Neutrality seal also helps to have technical processes of accompaniment in adaptation, through training programmes on climate change, climate variability and adaptation and through evaluations and monitoring of risk maps in the face of climate-related impacts. Likewise, an action plan is being implemented for 2021 related to the identification of priority climate change adaptation measures, as well as technical support to integrate adaptation measures into the strategic and territorial planning of each canton or municipality, and the socialisation of the results with the different actors and interest groups. This accompaniment has facilitated, in turn, the social and economic diagnoses that allow analysing the vulnerability of each of the cantons and favours the positive impact on planning, investment and also on the works allowed in each of the territories, depending on their climatic vulnerabilities. In addition to the elaboration of maps of risks associated with the climate, which makes it possible to identify climatic threats in the region, such as floods, hurricanes, but also aridity and extreme changes from dry to rainy.

With this in mind, Costa Rica has implemented nature-based solutions to lessen these impacts. As an example, the country's forests have become since 2014 a sink for greenhouse gases, which has allowed attracting investment from companies and countries that seek to offset their emissions and the pollution they produce. This, in turn, has made it possible to decouple forest destruction from development. Today, through tourism and nature-based solutions, forests have had a very important value and allow owners to offer tourist activities on their land, and above all considerably reduce the rate of deforestation, compared to the 80s. Moreover, the country's forest coverage has been reversed in more than 925,000 hectares of new forests; they are not planted trees, but respond to a natural regeneration, with native forests, which in turn decreases the vulnerability of the territories, for example, to rain or drought.

**REDD+ Strategy:** Allows payment to forest owners for the environmental services that their forests offer to the national and global community. The law recognises as environmental services carbon fixation, the protection of biodiversity, water and scenic beauty. This payment is financed by the 3.5% tax on hydrocarbons. However, with the Covid-19 crisis and the National Decarbonisation Plan, the consumption of fossil fuels was reduced, which in turn led to a decrease in the Government's tax revenues. According to Castro, this is an important lesson learned when designing public policies, because on the one hand it will have a very positive effect on the economy by stopping importing fuels, but, on the other hand, the income from the fuel tax is reduced, and based on this, other alternatives must be examined that allow the financing of the strategy and replace the fuel tax.

**Rural areas with sustainable productive practices:** Promotes the adaptation of sectors that have been historically important for the economy, towards sustainable practices. In particular, adaptation plans have been designed for the coffee, livestock and Musaceae sectors, which include, for example, the combination of agricultural or livestock activities with the planting of trees, which allows at the same time to maintain productive activity and generate a positive impact on the local environment. It also allows changes towards regenerative and precision agriculture, with less dependence on agricultural inputs, greater efficiency and goods that can be exported to competitive markets, in addition to reducing the carbon impact of activities. In other words, it seeks a more competitive and resilient national agriculture, low in emissions, but also improves the quality of life of local people.

**DUA Law - Draft law for the management and regularisation of the Natural Heritage of the State and the right of environmental utility:** Special legal regime that seeks to regularise the tenure of lands in places declared as protected wild areas, to people who have settled in these lands and who live a legal situation of great uncertainty, because they have no legal certainty, no access to credit or other state social assistance programmes. In this sense, the DUA Law allows these people to take care of the territory, improve their legal and economic situation, and above all prevents their displacement to urban areas.

**Development of coastal areas:** Although Costa Rica is 90 times larger at sea than on land, it has a development that takes little advantage of that marine wealth. For this reason, work is being done on a marine spatial management and the establishment of new marine protection areas that allow their conservation and their sustainable use. Likewise, through policies and strategies in pursuit of the development of coastal areas and the blue economy, it seeks to promote the restoration of ecosystems and the strengthening of activities such as selective fishing and mariculture.

**Digitalisation:** Currently the development is linked to the use of the internet, cloud services, among others. In Costa Rica in particular, the National Decarbonisation Plan is equally based on digitalisation and decentralisation. Around this, the Ministry promotes the digitalisation of the entire system of environmental permits and licenses, mining, and in fuel areas, in order to reduce waiting times and approval of projects, allowing in turn a green and sustainable economic reactivation.

**Yolanda García Mezquita** | Deputy Head of Unit in Unit A1 "Interinstitutional and Member States" in the Directorate for Strategy and Coordination of European Energy Policy, European Commission

Mrs Yolanda García Mezquita, raised as the objective of her presentation, the explanation of the actions taken by the EU to promote the ecological and green transformation, based firstly on the presentation of a package of legislative proposals called Fit for 55, and secondly, focusing on recovery funds that contribute to the green and digital transformation of the European economy. In this way, García Mezquita made a contextualisation of the ecological transformation of Europe, which began with the ratification by the European Council of

the Paris Agreement in 2016, at which time politically all the effort and commitment is put into the fight against climate change. This step has been followed by the publication in 2019 of the European Green Deal by the European Commission, as a strategy focused on economic growth and job creation in Europe, and which aims in the medium and long term to make Europe the first climate-neutral continent by 2050.

With this goal in mind, the European Commission published, in September 2020, the Climate Target Plan, which updates the climate target of reducing greenhouse gas emissions by 2030, raising it from the 40% agreed in 2014 to a level of at least 55% compared to 1990 levels. The impact analysis, which accompanies the Climate Target Plan, shows that this 55% target is possible and would put Europe on the path towards achieving the 2050 agenda, but it will also require an effort from all economic sectors. With this starting point, the package of legislative proposals Fit for 55 is published in July 2021, comprising 14 legislative proposals that address aspects in the areas of climate policy, energy, transport, taxation and solidarity for the fulfilment of this objective of reducing emissions of at least 55% by 2030 in a fair way, efficient and in concurrency.

In this regard, García Mezquita mentioned that the package contains various legislative proposals, because there is no single solution to achieve the goal of reducing 55% of emissions by 2030. She also indicated that the transition is related to important benefits for society, for example, it is estimated that one million jobs can be created by 2030 linked to the green transformation of the European economy, and by 2050, this number of jobs would double.

This package in a combination of measures including prices, sectoral objectives, rules and solidarity, and support measures. As for climate policy measures, it seeks to strengthen the emissions trading system in Europe. A system that has proven to be very efficient in reducing emissions from the most polluting sectors such as electricity production and very energy-intensive industries, with a reduction of 42% since it was created, in 2005, until now. Currently, it seeks to strengthen this mechanism by accelerating the reduction of annual emission allowances and the inclusion of new sectors in emissions trading, such as the aviation sector and the maritime sector, as well as an extension of emissions trading to road transport and buildings. Likewise, around emissions trading there will be an obligation on the part of Member States to use the benefits obtained from auctions of emission rights for actions that have to do with climate change, including energy efficiency measures and the development of renewable energy. It is intended that the revenues that Member States obtain be used in the fight against climate change and in the energy transformation of economies. In this sense, the revenues that come from extending emissions trading to road transport and buildings will be destined to mitigate the negative impact that this can have on domestic consumers, transporters or small businesses.

Other lines of action for decarbonisation mentioned by the speaker were:

- The "Shared Effort" regulation: Establishes the emissions that each country must commit to reduce, according to the GDP per capita of each country.
- Promotion and development of Natural Carbon Sinks: Regulation that refers to the use of land, forests and agriculture and that aims at the development of natural sinks in countries, according to the situation of each one.



- Goal to reforest Europe, specifically by planting 3 billion trees by 2030.

In the field of energy, important actions are also being proposed to strengthen existing legislation. Two legislative proposals are included that revise the current renewable energy and energy efficiency directives. The revision of these directives is justified because the energy sector, both in terms of energy production and consumption, accounts for 75% of total greenhouse gas emissions. Any initiative that is proposed must be aimed at producing more renewables in the sector of electricity production, but also in other sectors, such as cooling and heating, transport and industry. In addition, renewable energies present in all areas of energy consumption entail options to decarbonise other sectors of the economy. Something similar happens with energy efficiency, since the energy that is not consumed is the most economical and the cleanest. Hence, it seeks to strengthen actions in energy efficiency in Europe focused mainly on buildings. In this sense, it is intended to make buildings more efficient and, at the same time, fight energy poverty.

With regard to the transport sector, it seeks to increase measures that put greater limitations on CO<sub>2</sub> emissions in new cars and vans. For this it is necessary to develop first all the necessary infrastructure for the use of zero-emission cars and vans, for example, electrify the transport sector in those segments where it is possible. Through the infrastructure regulation for alternative fuels, the goal is to install charging points for electric vehicles every 60 km on major motorways, and every 150 km hydrogen refuelling points. Additionally, it seeks to promote the decarbonisation of fuels used in aircraft and in the maritime sector, sectors that also contribute significantly to CO<sub>2</sub> emissions into the atmosphere.

On the other hand, the current energy taxation directive dates back to 2003 and is outdated in view of the current landscape and climate and energy objectives. For this reason, the package Fit for 55 proposes the revision of the taxation directive based on the principle that the fuels that pollute the most should be the most recorded, while everything that is green or that contributes less to CO<sub>2</sub> emissions, must have a special treatment.

Another important element for imports from third countries is the proposal for a carbon adjustment mechanism at the border. The aim is to prevent carbon leakage in product imports. Hence, this new mechanism incorporates at the border the carbon price for products imported from third countries that have not previously incorporated the cost of CO<sub>2</sub> in their production. In this way, products that are being produced with very high standards in the EU compared to third countries are put at a similar level. According to the speaker, this is not a fiscal measure, but an environmental protection measure that will start operating in 2026, and that deals with imports from third countries and that will apply to imports from certain sectors, such as aluminium, steel, electricity, cement and fertilisers.

Additionally, García Mezquita recalled the importance of solidarity to achieve a just transformation for all. For this reason, a large part of the actions contained in this package include measures of a social nature to mitigate the impact of the measures, and solidarity among Member States. Solidarity between countries is based on the principle that countries' efforts should be proportionate to the position in terms of GDP per capita, also taking into account the starting point of each country in the fight against climate change. The aim is for social justice among the countries of the European Union to address these challenges.

For its part, the green transformation has a cost for society, which according to García Mezquita should be seen as necessary investments for this transformation that will generate employment and economic growth. The European Commission estimates that in the decade 2021 to 2030 annual investment averaging to 390 billion more will be needed compared to the previous decade (2011-2020). The main areas that need investment will be buildings to make them more efficient, electricity production to make it more renewable, electricity grids to integrate new renewable energy, smarter grids to increase energy efficiency and clean transport.

In addition to this, the EU has launched in recent months the Economic Recovery Programme, which consists mainly of the Next Generation EU, which includes the so-called Recovery and Resilience Fund. This fund has a public funding endowment of more than 600 billion euros in grants and loans, which will be distributed among the Member States based on the economic impact they have suffered from Covid-19, with the aim of recovering the economy, increasing employment and economic growth. These grants have two important conditions that they seek, to ensure that the money will serve to modernise and accelerate the green and digital transformation of European economies. In this sense, 37% of all the funds that will be provided to Member States must be allocated to investments or reforms aimed at fighting climate change, and 20% of the funds will be directed to digital transformation.

Additionally, the Recovery programme identifies several areas that are important in terms of investment potential, job creation and economic growth, and that represent a challenge for all countries. In the identified areas there are three related to energy:

1. *Power Up*, that promotes the development of clean technologies, and the start-up of the production of renewable energies, including renewable hydrogen, and their integration into the energy system.
2. *Renovate*, focused on investment projects for the renovation of buildings and energy efficiency, contributing to the reduction of consumers' energy bills and the fight against energy poverty.
3. *Recharge and Refuel*, that promotes the installation of charging points for electromobility and hydrogen to promote clean transport.

Following this vein, the Next Generation EU - Recovery and Resilience Fund programme is a key support for launching investments and accelerating the achievement of climate and energy objectives by EU countries. In terms of investments, countries in their "Recovery and Resilience" plans are allocating much of the funds to the development of renewable energies, such as solar or the production of renewable hydrogen through electrolysis, as well as to the renovation of both residential and public buildings, and clean transport. As for reforms, it seeks to promote all those that facilitate investments, since there are important administrative obstacles that often prevent projects from being launched and money from materialising in specific projects. Similarly, a part of the funds is intended to support those people who, due to circumstances of the ecological transformation, lose their jobs, and the regions where there are industries in decline and that will suffer the most economically from the ecological transformation.

Finally, Yolanda García Mezquita stressed that the green transformation of European economies is part of the *acquis communautaire* with the approval of the Climate Law in June 2021. In this sense, the objectives formulated for 2030 and 2050 are mandatory for all Member States. She also pointed out that all actions must be done in a fair and supportive manner between and within countries, and that the funds that have been provided for the recovery from the pandemic must serve to achieve ecological transformation. Likewise, the panellist highlighted the benefits of ecological transformation: better air quality, cleaner and more walkable cities, means of transport without CO<sub>2</sub> emissions, as well as a cheaper energy bill, due to the production of renewable energy in Europe, contributing to increase security of supply by reducing dependence on fossil fuels from outside Europe. She concluded that we must think that the fight against climate change is our *raison d'être*, since we have to conserve the planet, since it is the inheritance that we have to give to future generations.

# CLOSURE

**Anna Barrera Vivero** | Senior Programme Coordinator, EU-LAC Foundation

Dr Anna Barrera started by expressing her congratulations to the Yuste Foundation and to the University of Extremadura for the excellent organisation of the summer course and thanking for the invitation extended to the EU-LAC Foundation, and also to the SEGIB, to participate and co-organise this edition. The summer course was attended by renowned academics, representatives of international organisations, public officials, decision makers and business managers, in five sessions focused on different but interrelated topics, such as health, democracy, multilateralism, regional integration and digital and ecological disruptions.

Secondly, and making an analysis of the lessons learned, Dr Barrera pointed out that from the session dedicated to the topic of health, it was possible to understand that different recognised international bodies had issued unequivocal alerts about the risk that the world ran of suffering epidemics or pandemics of regional or global scope, - alerts that were not considered by decision-makers, so societies, health institutions and social protection systems were not prepared or insufficiently prepared to contain an outbreak and an impact such as Covid-19. In this regard, in LAC, the affectation was disproportionate compared to the percentage of the population and the number of deaths, and within societies were specifically women; people living in poverty and in rural areas; indigenous and Afro-descendant communities; people with different abilities; children and adolescents; as did older adults, who suffered the impact of the pandemic to a greater degree. Moreover, both regions – the EU and LAC – suffered a serious economic contraction. In LAC many MSMEs have had to close, millions of people fell below the poverty and extreme poverty line, millions of children and young people lost more than one school year and several of them will not return to the classroom. Both regions also saw an increase in gender-based violence, and new food security threats emerged. According to the projections also presented in this course, compared to the EU, LAC will require more time to recover from the pandemic.

On the other hand, thanks to huge public investments for vaccine development in record time, vaccine campaigns are currently being implemented, but at very different paces between the two regions. Making a comparison between the regions in terms of the first measures taken to control the pandemic, it can be perceived that health rationality on the one hand had been erroneously contrasted with economic rationality on the other; however, and very much in line with the dialogue held with the panellists of the summer course, it would be necessary to combine both dimensions. It should be noted that public officials in the different global and multilateral spaces have designed and promoted the concept of One Health to improve the architecture and institutional response to the pandemic at different levels, and with multi-stakeholder efforts and alliances.

Likewise, Dr Barrera pointed out that many of the experts in the different sessions of this summer course highlighted the various challenges that LAC now faces, consisting of structural problems that already existed, such as inequality, instability of institutions, the concentration of power in the Executive, low productivity and insufficient infrastructure development, the high degree of indebtedness and limited fiscal space of several States, violence, high rates of insecurity and impunity, as well as very fragile ecosystems and the excessive and partially criminal exploitation of natural resources. The distrust and discomfort of societies with these dysfunctions of the State have even provoked irruptions that seek profound reforms and the renewal of the social pact, such as, for example, the Constituent Convention in Chile to draft a new Constitution. Similarly, the different speakers explained the need to reactivate parliaments and strengthen the role of the legal power in the region and emphasised the need to establish more spaces for the deliberation of citizens, which allow generating the capacity for dialogue, as well as the articulation and transformation of conflicts and interpersonal trust, - all this within the framework of respect for human rights, the principles of the rule of law and democracy.

Regarding regional integration, the interaction between the panellists of this summer course made it clear that the supranational integration model of the European Union and its range of institutions is *sui generis*, derived from the history of this continent. For their part, regional institutions in LAC were established for different reasons, which corresponded to specific political conjunctures and were established at different points in time. However, several of these institutions have lost prominence, weakened internally, or have not generated sufficient capacities to respond to the challenges that have been changing over the years. Dr Barrera also recalled that several speakers had noted the lack of stable structures to facilitate regional integration in LAC.

Referring to what Ramón Jáuregui said, the twenty-first century is no longer a world of nations but of regions, and without regional integration in LAC and the EU, these regions will not be able to face the current challenges or compete with other regional or global powers. In this sense, Dr Barrera mentioned some of the threats, but also opportunities of today. In digital matters, for example, the sharpening of the technological gap or the sharpening of the division of the global north and south, until the emergence of the so-called digital poor, but also the existence of a lot of knowledgeable, creative and flexible human talent, which knows how to adapt to different circumstances. Similarly, LAC can build on lessons learned at European level on the subject of digital, in particular on the strong promotion of investment in next-generation networks and modern infrastructure, as well as the prioritisation of digitalisation on the political agenda. On the other hand, in ecological matters, and of utmost importance for decarbonisation and the green transition, during the summer course good practices generated in countries such as Costa Rica were presented, with respect to investment in clean infrastructure, in resilient cities and solutions based on nature and precision agriculture, as well as the regularisation of natural heritage and marine spatial planning. It should be noted that the EU Green Deal, which is committed to very ambitious objectives in the medium and long term, foresees financing with the income generated, innovation, solidarity and mitigation of the impact on the members of the most vulnerable societies, - that is, to achieve a just transition.

On the other hand, according to Dr Anna Barrera, in the face of vulnerability and global problems, multilateralism continues to be an indispensable tool of governance, to process, moderate or regulate the challenges faced by each country. Bi-regional relations, on the other hand, are not only based on shared history, values and principles, but also on shared needs, interests, aspirations and capacities. The bi-regional strategic partnership has generated, over the past few years, a series of very relevant cooperation programmes and initiatives in the economic, social, environmental, scientific and security fields.

In the area of health, for example, the European Union is one of the entities that contributed the most to the multilateral initiative of COVAX to distribute vaccines equitably among the different populations of the world. Dr Barrera also pointed out that EU-LAC cooperation should not remain only at the level of vaccines, but also opt for the strengthening of health systems, universal health insurance coverage, infrastructure and response capacities, democratisation of access to knowledge and shared efforts to strengthen the World Health Organisation.

By way of conclusion, Dr Barrera drew attention to what Antoni Gutiérrez-Rubí said previously: "Technology yes, but human. Development yes, but sustainable", and in this regard, she expressed her agreement and added that these should be equally inclusive, combining the principle of freedom with the principle of social justice, and focused on the well-being of all human beings.

**Juan Carlos Moreno Piñero** | Director of the European and Ibero-American Academy of Yuste Foundation

Dr Moreno, highlighted the importance of the Yuste Monastery, given its high historical significance and its relevance to talk about the relations between Europe, Latin America and the Caribbean, within the traditional course on relations between these two regions of the world, which acquired this year a special quality for the magnificent and brilliant exhibitions, the updating of the speakers and the historical moment in which we are living. Around this, all the speakers, although from different backgrounds, converged on a common purpose: hope.

Likewise, Dr Moreno pointed out that it is necessary to look to the past, analysing the Declaration of the first Ibero-American Summit of Guadalajara in July 1991 and the 27th Summit of Andorra in April 2021, it is perceived that three decades later the same problems remain, added to others such as gender equity, the 2030 Agenda, climate change and especially the Covid-19 pandemic. Unlike other crises experienced in both regions of the world, such as the economic crisis or the refugee and immigrant crisis in Europe, the health crisis affects us all equally. Dr Moreno stressed that the virus has brought horrific consequences, but it has also left us some lessons. Referring to what Erika Ruiz Sandoval said, Dr Moreno pointed out that "we are all in the same storm, but we are not in the same boat, there are ships that are better equipped and ships that are weaker" - as happens in some Latin American countries.

Likewise, evoking what Alberto Van Klaveren Stork said, the virus has radicalised the difference between the rich and the poorest, and what Ambassador Carazo said, that as long as the danger is not extinguished for everyone, it will not be extinguished for anyone. This situation has generated demands - in the words of former President Solís Rivera, sometimes expressed in the form of holy anger - that States cannot ignore and to which we must respond. In this sense, according to Dr Moreno, the State must demand answers, which must be community, and based on respect for Human Rights in both regions.

Taking the words of Ambassador Maria Salvadora, "Latin America requires Europe, because Europe has an important value that Latin Americans share: values, democracy and human rights," Dr Moreno added that both regions are needed equally. Latin America and the Caribbean needs Europe as Europe needs Latin America and the Caribbean, since no one is that rich so as not to have something to receive, nor is anyone that poor so as not to have something to give.

Additionally, the Director of the European and Ibero-American Academy of Yuste Foundation, thanked the participants and collaborators, in particular Dr Adrián Bonilla and Dr Anna Barrera of the EU-LAC Foundation for the collaboration in the development of the course. He also thanked Rebeca Grynspan, Secretary General of the SEGIB and the Secretary of the Course, Lorena Chano, as well as the Coordinator and Secretary of the Course Miguel Ángel Martín Ramos and the entire team of the Yuste Foundation. Furthermore, Dr Moreno expressed his gratitude for the broad participation of students from several countries in both regions. Finally, Dr Moreno, on behalf of the Chancellor magnificent of the University of Extremadura, declared closed the Summer Course Campus Yuste 2021.

