

Regional integration processes and the social dimension of globalization. The European experience: some reflections about its implementation in Latin-America

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Abstract:

The European Union is firmly committed to projecting its social agenda externally. In this vein, the need to improve social cohesion in developing countries has been repeatedly emphasized by the European Union at the multilateral as well as at the bilateral level. At the multilateral level the intention on the part of the European Union to link the Lisbon Strategy to the Copenhagen process, implemented under the auspice of the United Nations, might be underscored. At the bilateral level the relevance conferred on social cohesion in the relationship with Latin-American countries is also remarkable. The European experience in the social field is influencing in a very subtle way the design of regional mechanisms addressed to fostering social cohesion in Latin-America. Beyond this diffuse influence, more concrete programmes, such as the EuroSocial Programme, have been set up by the European Union with a view to offering some support for increasing social cohesion in that region.

The developing countries engaged in negotiations with the European Union should exploit further the harmful effect that

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incoherencies within the European Union's external action might have for the European Union itself. On the other hand, the action undertaken by the European Union in supporting social cohesion, demonstrates that this Organization as a multidimensional actor intrinsically bound to back multilateralism, might play a crucial role in propelling the multilateral agenda.

I) General Remarks: the European Union's pledge to solidarity

The European Union (EU) as a regional integration process, comprising three international organizations at the moment², might be characterized by its openness, its multidimensionality and its orientation towards multilateralism and solidarity. The support of multilateralism and the need to promote solidarity throughout the world have been largely prioritized in the European Agenda. Multidimensionality means that as an expression of the so-called new regionalism³ the European process embraces not only economic, but also political and social domains. As a matter of fact, solidarity is anchored in the social side of the European Union, although when designing regional solidarity schemes through which improving social cohesion, the deployment of an extensive array of tools is required: economic, political, environmental, etc. In a certain way, it could be said that the new regionalism effectively incarnated in the European Union seems particularly adapted to face a problem such as social exclusion, which is multidimensional in itself. Furthermore,

² European Union, European Community and European Community of Atomic Energy. We will use the term "European Union" in reference to the European integration process in general. The European Communities integrate the so-called "first pillar" wherein the supranational features can be traced.

³ JACKSON, J.H. "Perspectives on regionalism in trade relations" 27 *Law & Pol'y Int'l Bus.* 873. See also FARRELL, Mary. "The Global Politics of Regionalism: an introduction". In: FARRELL, M; HETTNE, B; LANGENHOVE, Luk. "*Global Politics of Regionalism*". Pluto Press: London, 2005, at p. 8. It should be said that this multidimensionality can be traced in every regional scheme. Even in projects as FTAA, primarily oriented towards trade, other dimensions are also being considered. Adelle BLACKETT, for example, pleads for the reinforcement of social dimension within the framework of regional integration schemes in America. "Toward social regionalism in the Americas". In: 23 *Comp. Lab L & Pol'y J.* 901, 2002.

the supranational features of the EU's institutional structure⁴ facilitate the identification of regional interests which are to be served by the Organization. Regional solidarity is crucial for enhancing internal cohesion and ultimately for the reinforcement of the Organization itself.

Usually it is at the State level that these schemes implementing territorial solidarity, with a view to alleviating the differences among the different national regions, can typically be found. Of course, it is necessary also to acknowledge the existence of States whose territories and population are suffering from the lack of such schemes. This has been particularly the case of Latin American States⁵ so far. Nonetheless, even within this region there is an increasing awareness of the fact that in States suffering from this deficiency in territorial and social cohesion, the legitimacy of the national institutions is undermined as a result of the absence of a clear commitment on the part of such institutions to fighting inequalities and to building more inclusive societies where equal opportunities are offered to all. When the inequalities are so deeply rooted, it is very difficult to get an acceptable level of democratic governance. And, of course, the inequalities might be ultimately conducive to destabilization. These countries score pretty high when it comes to measure their level of conflictivity. As an illustration of the growing alertness among Latin-American Governments about the need to revert this situation, we can refer to the recent Declaration of Mar del Plata, issued within the framework of the Fourth Summit of the Americas, in which the necessity to alleviate poverty and reinforce democratic governance by creating employment has been clearly

⁴ As a matter of fact, the EU's institutions only operate as supranational when acting within the realm of the European Communities, namely within the framework of the first pillar.

⁵ In the XXXI session of the ECLAC Economic Commission for Latin America and Caribbean (ECLAC), on 22 March 2006 in Montevideo, it was stressed that "the LAC countries should reassess the role of the state in fighting inequalities and that economic policies can hide the reality in Latin America: a region rich in natural resources but with great social inequalities." Background paper. High Level Conference: promoting social cohesion: the Euroean Union - Latin America and Caribbean experiences. Brussels 27-28 March, 2006: http://europa.eu.int/comm/world/lac-vienna/events/ldb_ec_background_230306.pdf.

highlighted.⁶ All these reflections are connected ultimately with the idea that an improved governance requires that due attention is paid to social issues.

Arguably, it is less common to find this kind of regional solidarity mechanisms working effectively beyond the framework of the States, and this is precisely what we find in the European Union. Solidarity, taking one of its many possible meanings, might be conceived of as the willingness to bring some relief for the inequalities at a regional level. In the EU there are traditional tools at the service of regional solidarity such as the Structural Funds and Cohesion Funds financing the regional policy⁷. But solidarity is also embedded in social policies designed to create employment (decent work for all is the motto repeatedly used by the European Institutions in line with the International Labor Organization - ILO -), to favor social integration through both the protection of minorities and guaranteeing an improved access to basic services such as education and health. As regards to social policies the competence remains largely in the hands of the States, which at the European level have basically committed to agreeing on the definition of common goals. This commitment is enshrined in the Strategy for Growth and Jobs, launched in Lisbon, in March 2000 (the so-called Lisbon Strategy)⁸. The European Commission has been endowed with monitoring powers with respect to the implementation of the proclaimed goals by the States⁹. But, we will go into depth on the analysis of the Lisbon Strategy in the following sections of this Paper.

Solidarity as approached by the European Union has an external side as well. And both sides - external and internal - have

⁶ “Creating jobs to fight poverty and strengthen Democratic Governance”, Mar del Plata, Argentina, November 5, 2005.

⁷ EUR 220,000 million (2000-2006); 1/3 Community Budget. http://europa.eu.int/comm/world/lac-vienna/events/idb_ec_background_230306.pdf, at p. 6.

⁸ And just re-launched. See: COM (2005) 330 final. “Common Actions for Growth and Employment: the Community Lisbon Programme”.

⁹ The European Commission has recently delivered its Annual Progress Report on Growth and Jobs: http://europa.eu.int/growthandjobs/annual-report_en.htm

been brought together within the enlargement process¹⁰. The ongoing debate on the limits to the geographical expansion of Europe is related to the limits to the solidarity effort which can be required from the Member States¹¹. Regional solidarity enhances internal cohesion, but when the required effort is excessive, internal cohesion might be put at risk¹².

At the external level, solidarity is advocated by the European Union both within the framework of bilateral and interregional relations and within international organizations (as has been said above, the European Union may also be portrayed as a firm supporter of multilateralism). In this line, the openness of the European Union represents a unique opportunity for it to spread its model across the world, a model in which solidarity and social dimension are placed in a central position. This is not say that the presence of solidarity in the world is gaining solidness only due to the action of the European Union, but just to stress that the European Union is undoubtedly one of the more relevant international actors when it comes to analyzing the mounting awareness of the need to take into consideration the social dimension of globalization and develop new solidarity tools in order to foster social cohesion.

II) The External Side of the European Union's social agenda

We are now to go into depth on the external projection of the social dimension of the European integration process¹³. There

10 CREMONA, Marise. "EU enlargement: solidarity and conditionality", *European Law Review*, 30 (1), p. 3-22.

11 Benita Ferrero has recently declared in a speech in Stockholm that it is clear that the European Union "cannot enlarge ad infinitum": <http://europa.eu.int/rapid/pressReleasesAction.do?reference=SPEECH/06/149&>

12 TELÓ, M. "Globalization, new regionalism and the role of the European Union". In: TELÓ (Ed.) *European Union and new regionalism. Regional actors and global governance in a post-hegemonic era*. Ashgate, 2001, p. 21-37.

13 COM (2005) 33 final Communication on the Social Agenda, at p. 5: the main goals are: the incorporation of the European social model into external dialogue and measures at bilateral, regional and multilateral level; and the promotion of decent work as a global objectives at all levels.

is a vast literature on the uniqueness of the European Union as an international actor¹⁴. No other regional integration process has gone further in the development of supranational formulas. This is one of the clearest strengths of the European Union: a supranational institutional structure and a supranational legal order within the realm of the first pillar (European Communities). Nevertheless, the advances in the supranational path have not been equally easy in all areas. There are some particular fields in which the States have been more reluctant to yield to the European Institutions the decision-making, hindering the inception of European policies. One of these areas is social policy, a realm where the progress at a regional level has been achieved not without difficulties¹⁵.

At the very onset the EU action within the field of social policy was confined to the regulation of the free movement of workers, as well as of gender equality as regard to working conditions. Over the years, the perception that the progress in the integration process should be coupled with advances on the social field was steadily increasing. Partly encouraged by the progress attained at the multilateral level (the UN Copenhagen Summit on social development, 1995, could be mentioned as an example), the EU launched its Lisbon Strategy (2000), wherein the social dimension of the integration process is firmly stressed. It was acknowledged at that moment that even in Europe there was an unacceptable amount of population living at risk of poverty¹⁶. One of the main goals proclaimed in the Lisbon Strategy was to boost social inclusion through the creation of jobs.

14 RICHARDSON, John. "The European Union in the world - a Community of values". 26 *Fordham Int'l Law Journal*, November, 2002; WEILER J.H.H; HALTERN, Ulrich. R. "The Autonomy of the Community Legal Order - Through the Looking Glass". In: 37 *Harv. Int'l L. J.* 1996, 411; Mattias Kumm. "The jurisprudence of Constitutional Conflict: Constitutional Supremacy on Europe before and after the Constitutional Treaty". In: *European Law Journal*, Vol. 11, issue 3, 2005, p. 266.

15 ATKINSON, T. "Social inclusion and the European Union". In: *Journal of Common Market Studies*, 2002, Vol. 40, p. 625-643.

16 There are some estimates to this regard: 68 million people (EUROPE 25). FARRELL, Fintan. "10 messages regarding the follow up, at an eternal EU level, to the WSSD held in Copenhagen in 1995". http://europa.eu.int/comm/employment_social/international_cooperation/docs/seminar_13jan05/farrell_%20speech_en.pdf

The mechanism enshrined in Lisbon to proceed within the social field is the so-called open method of coordination (OMC¹⁷). In short, it consists basically of a common definition of goals to be pursued by all the EU Members, leaving to the States the freedom to select the tools through which those common goals would be allegedly attained. The Member States are called to announce their national strategies (in the so-called National Action Plans to be delivered on a biennial). We have to keep in sight that social issues remain essentially matters of national competence. The OMC comprises also a peer review mechanism. Through the application of this mechanism, a considerable amount of information is gathered as regard to the formulas applied in each country as well as to the achieved results, facilitating a mutual learning process, which basically takes place through the sharing of good practices. The European Commission and the Council play both an important role as monitoring bodies.

The OMC has obviously its flaws. In the follow-up to the Lisbon Strategy, the so-called Kok Report (November, 2004 - mid term review) stated that the implementation of this Strategy should be manifestly improved¹⁸. Nevertheless, and regardless the OMC's flaws, what we want to emphasize at this point is the European Union's endeavour to export the method (or it might be better to say the rational underlying it) for its application at the global level.

17 For a description of the OMC, see: "When do policy innovations spread? Lessons for advocates of lesson drawing" 119 *Harvard Law Review*, 1467, March 2006; Maurizio Ferrera, Manos Matsaganis & Stefano Sacchi, *Open Co-ordination Against Poverty: The New EU Social Inclusion Process*, 12 *J. Eur. Soc. Pol'y* 227 (2002); See Jean-Claude Barbier, *The European Employment Strategy, A Channel for Activating Social Protection?*, in *The Open Method of Co-ordination in Action: The European Employment and Social Inclusion Strategies* 417, 419-25 (Jonathan Zeitlin & Philippe Pochet eds., 2005; Research Forum on the Open Method of Coordination > <http://eucenter.wisc.edu/OMC>

18 Kok is former prime minister of the Netherlands; he chaired the High Level Group tasked with the review of the Lisbon Strategy. http://europa.eu.int/growthandjobs/pdf/kok_report_en.pdf. The report contends that delivery of the strategy has been particularly disappointing due to the lack of "determined political action". It is also stated in the Report that the action should be focused on the first of the three pillars of the Lisbon Strategy (economic - social - environmental), with the increase of both the economic growth rate and employment being the main challenge facing the EU.

It is worth noting that by using the open method of coordination at a multilateral level to foster social development, the powerful actors have also the opportunity to learn from the experience developed by “weak” countries in particular areas, such as the integration of ethnic minorities. In this vein, the identification of particular fields in which the developing countries (or some developing countries) have a good record becomes relevant to guarantee the application of the OMC on a reciprocal basis at a global level.

II. 1 The external side of the European Social Agenda: at a multilateral level

At the multilateral level, the European Union has recently advocated the feasibility of using the OMC within the 43rd Session of the United Nations (UN) Social Development Commission (SDC) - held in New York, in February 2005 -¹⁹. The scope of this Session was to review the Copenhagen Declaration on Social Development drawn up in that city 10 years before. The three overriding issues addressed within the SDC Summit were the usual topics included in the multilateral social agenda²⁰: eradication of poverty, promotion of full employment and social integration, including the human rights perspective, the call for the improvement in the access to basic services, such as education and health, and the promotion of gender equality. At the end of this Session of the Social Development Commission a report was issued, within which is possible to find some references echoing the OMC whose use was promoted by the European Union. For example in regard to the review of the implementation of the Copenhagen Declaration it is stated that “the Commission should emphasize increased exchange of national, regional and international experiences, focused and interactive dialogues

¹⁹ This was an idea underlying this Seminar organized by the European Commission shortly before the SDC Session was held: http://europa.eu.int/comm/employment_social/international_cooperation/seminar13jan05_en.htm

²⁰ On the incorporation of the social domain into the Multilateral Agenda on Development see: RITTICH, Kerry. “The future of Law and development: second generation reforms and the incorporation of the social”. In: 26 *Mich. J. Int'l L.* 199, 2004.

among experts and practitioners, and sharing of best practices and lessons learned”²¹. This reference is reflective of the relevance conferred upon the sharing of experiences which might lead to a mutual learning process.

There are many other examples of the action undertaken by the European Union at the multilateral level which could be associated with its effort to project its social agenda externally. Its discourse is articulated in different multilateral frameworks. For instance, the EU is engaged in the promotion of social cohesion in Latin-American in cooperation with other International Organizations. Mention could be made to the Summit on Social Cohesion in Latin-American held in Washington in May 2005, in which the European Commission participated along with the International Monetary Fund (IMF), the World Bank and the Inter-American Development Bank (IDB)²².

We should stress the fact that developing countries might draw on all this multilateral background to ask the European Union to put its good intention into meaningful practice.

The social dimension is one of the three pillars of sustainable development²³, which embraces concerns about employment, social and environmental policies. As regard to employment, the EU underscores the need to promote decent work for all in line with the International Labor Organization (ILO). To provide support for fair trade and to encourage European companies to adhere to the principles of Corporate

21 P.7 of the Report: Draft Resolution III: Future Organization and methods of work of the Commission for Social Development, paragraph 4.

22 Just after this Summit the IDB delivered its Report on “the Millennium Development Goals in Latin American and the Caribbean: progress and priorities and IDB Support for its implementation”, August 2005. From 2002 the European Commission and the IDB are linked through a Memorandum of Understanding addressed to the development of common initiatives within which social cohesion is given the highest priority (http://www.europa.eu.int/comm/external_relations/la/doc/memo05_02.htm) The “shared priorities for collaboration” are: consolidation of democracy on human rights issues, social equality and poverty reduction, regional integration and development of information technologies and shared knowledge society.

23 COM (2005) 311 final. “An European Consensus on development policy”.

Social Responsibility are other overriding European concerns in this regard. Of course, Development Cooperation must go beyond theoretical statements and the challenge for the European Union is to honour its own rhetoric²⁴. Within the external action of the European Union sustainable development is an overarching objective, but in practice this goal has to be combined with other scopes and interests. In some cases it is impossible to reconcile all the interests, and this impossibility gives rise to incoherence. The incoherence is harmful for the European Union because it weakens the EU's image vis-à-vis other international actors. For example, the reluctance on the part of the European Union to phase out the protection conferred on the agricultural sector gives rise to a clear incoherence when measured in terms of the harm that this attitude causes to the developing countries. The European resistance, within the framework of the recent WTO Ministerial Meeting in Hong Kong, to accept 2013²⁵ as the deadline to phase out all subsidies for exports of agricultural goods is a concrete illustration of this attitude. When this incoherence prevails, usually it is owed to the fact that the supranational interest has not been able to override more national oriented interests. The European Institutions find themselves in a very tenuous situation: either they defend the interests of the European interest groups supporting the protectionist bias, or they honour their commitments at the international level by being more responsive to the needs of developing countries. The fact that the European Institutions lack ways through which communicating directly with the European citizens makes even more difficult the reconciliation of the two spheres (recognition at the internal level and recognition at the external level). The European Institutions could try to persuade the European citizens of the benefits arising from the opening of the agricultural markets, focusing on the gains resulting for the consumers and on the positive tradeoffs negotiated within the

24 "Narratives of projection" in words of Nicolaidis and Howse. "This is my EUtopia ...": Narrative as Power" (2002) 40, *Journal of Common Market Studies*, 767.

25 See the text of the Hong Kong Ministerial Declaration, adopted on 18 December 2005: http://www.wto.org/english/thewto_e/minist_e/min05_e/final_text_e.htm

multilateral framework. But it is difficult when the perception of the individuals is so orientated towards the national interest, comprising more the interest of national interest groups than the real interest of the whole national population. The recent crisis triggered by the liberalization of trade in textiles originating in China is a good example to illustrate this situation. First of all, neither the World Trade Organization nor the European Union has means to communicate directly with the individuals and inform them of the benefits which could arise from freer trade with China. Chinese textile flooded the European markets for the benefit of the European consumer, who witnessed how the prices dropped dramatically, but at the expense of the European textile industry. At the end of the day, the interests of the latter prevailed over the more diffuse interest of the former. We all know the result: an agreement between European Community and China, under the auspices of WTO, by which the latter agrees to restrict its exports²⁶.

II. 2) The external dimension of the European Social agenda at the bilateral and unilateral level

The external dimension of the social agenda is also implemented within the relationship between the European Union and third countries.

As an illustration of the relevance granted to the promotion of social standards, we can mention the Cotonou Agreement, particularly articles 1 and article 9 thereof²⁷. In the democratic clause drawn up by the latter, the social rights are enshrined as essential element of the Agreement. The Agreements concluded by the European Community and its Member States with Latin-American countries and regional integration processes are also endowed with democratic clauses of the kind. If we take the most

²⁶ http://europa.eu.int/comm/external_relations/china/intro/memo05_201.htm

²⁷ [http://europa.eu.int/eur-lex/lex/LexUriServ/LexUriServ.do?uri=CELEX:22000A1215\(01\):EN:HTML](http://europa.eu.int/eur-lex/lex/LexUriServ/LexUriServ.do?uri=CELEX:22000A1215(01):EN:HTML)

recent of the Association Agreements concluded with Latin-American countries - the Agreement with Chile²⁸ -, we see that the human rights conditionality clause mentions the Universal Declaration of Human Rights as the legal point of reference. This is not as wide a reference as the one included in the Cotonou Agreement, which is not confined to the Universal Declaration but extended to all the “international obligations and commitments concerning respect for human rights” (article 9 mentioned above). Nonetheless, in the Agreement with Chile the relevance of “social development” is also stressed by conceiving it of as “guiding principle” for the implementation of the Agreement.

As regards the democratic clauses drawn up in the bilateral Agreements concluded by the European Union, the possibility might be posited of using these clauses as tools for according diplomatic protection, by the third countries linked to the European Community by a particular agreement comprising the clause, to their own nationals living in the European territory as far as their rights are not being properly respected. We are thinking primarily of the immigrants arriving to Europe from these countries and of a potential use of these clauses by the countries of origin as a basis to require the full respect of their citizen’s social rights and the facilitation of their full integration into the European society.

In addition to the bilateral agreements, the EU also contributes to promoting implementation of social rights through unilateral tools such as the Generalized System of Preferences Scheme. In the new scheme which is being fully applied since the beginning of this year, enhanced preferences are to be granted to the countries which have ratified and implemented the core ILO and UN Conventions on human and labor rights listed in part A of Annex III²⁹. This mechanism is called GSP Plus. At the same time, a mechanism of the so-called “negative

²⁸ The text of the Agreement can be found: http://europa.eu.int/comm/trade/issues/bilateral/countries/chile/euchlagr_en.htm

²⁹ See Council Regulation n. 980/2005.

conditionality” is set up in article 16 of the Regulation under the heading “temporary withdrawal”. This withdrawal may be decided by the European Community as a response to serious and systematic violations, by one of the GSP beneficiaries, of principles laid down in the Conventions listed in Part A of Annex III, which as said above comprises the main human and labor rights UN/ILO Conventions. So far, the negative conditionality has been applied only as regard to Burma/Myanmar³⁰.

III The European approach to Latin-America in the Promotion of Social Cohesion

III .1 The diffuse influence of the European Union

The parties have repeatedly made it clear that there is no intention to replicate any model. The shared goal is rather to foster a process of mutual exchange of information and mutual learning.

The concern about social cohesion is present in the relationship between Europe and Latin American at least from the 90’s; although it is primarily since the beginning of the new millennium that this concern has been prioritized in the inter-regional Agenda, first by Commissioner Patten³¹ and then by his successor Benita Ferrero. Fighting social inequalities to bring about a more inclusive society with more equal opportunities for all is conceived of as a first priority within the region with the highest average level of inequality in the world. Despite the political progress achieved in Latin American in the way towards democratization, it is acknowledged that this progress has not been translated into a substantial improvement in living

³⁰ The possibility of adopting new sanctions, including the withdrawal of generalized preferences, against Belarus is under consideration at the moment.

³¹See, for instance, this Patten’s speech in 2002: http://www.europa.eu.int/comm/external_relations/news/patten/sp02_447.htm or this intervention at the Rio Group ministerial meeting in 2003: http://www.europa.eu.int/comm/external_relations/news/patten/sp03_160.htm

conditions. In the upcoming fourth Summit EU/LAC, to be held in Vienna (May, 12), social cohesion is proclaimed once again as the main priority in the relationship between both regions³².

Latin America has also a long tradition in regional integration. Over the years, the regional integration processes there have evolved into new regionalism incarnations. Therefore it could be considered that the conditions for the inception of mechanisms expressing regional solidarity exist. And as a matter of fact there being recent developments in some of the Latin-American regional integration processes, which could be deciphered in this direction. Mention could be made, for instance, to the advances recently accomplished in Mercosur as well as in the Andean Community.

Before going into the analysis of the Latin American experience, we want nonetheless to make some general reference to the emphasis put by the EU on the need to go further in the attainment of social cohesion in Latin America. Social (Regional) Cohesion was one of the pivotal ideas in the Guadalajara EU/LAC Summit (2004³³) and as mentioned is one of the primary matters to be tackled in the imminent Vienna Summit (May, 2006)³⁴.

It might be thought that the requirement for more social cohesion is merely an excuse on the part of the European Union to justify the lack of progress in the ongoing negotiations with some of the regional Latin American regional integration processes. But it holds also true that when it comes to the promotion of regional integration (no doubt other of the main objectives in the external action of the EU), the model promoted by the European Union is endowed with this social dimension. In this vein, even though as has been said the EU is pretty aware of the impossibility of exporting exactly its model to other regions across the world, it is

32 http://europa.eu.int/comm/external_relations/newsdigest/00wn.htm

33 http://europa.eu.int/comm/world/lac-guadal/00_index.htm See also: COM (2004) 220 final where the Commission's goals are defined.

34 <http://europa.eu.int/comm/world/lac-vienna/>

committed to encouraging the inclusion of the social dimension in any other possible integration model.

Let's explore now the Andean Community's (AC) most recent experience to this regard. Within this region we can currently find a regional mechanism whose functioning resemblances the European Open Method of Coordination³⁵. It is the so-called Integral Plan for Social Development³⁶ set up by the Decision 611 of the Foreign Affairs Council³⁷. The proclaimed Goals under this plan replicate exactly the Millennium Development Goals: employment, reduction of poverty, social integration. These scopes upon which the Andean countries agreed might be considered excessively general. As a matter of fact, we wonder what is the added value associated with acting at a regional level if the countries within the region are unable to reach a more tailored definition of scopes. The designation of the common goals should be further adapted to the particular situation of the Andean region. In other words, greater effort should be required from the Andean countries with a view to agreeing on more specific goals.

We have said that the working method associated with the Integral Plan in the AC resemblances the EU's OMC. The European Commission had already underscored the feasibility of using the open method of coordination within the Latin American context. In this vein, we can refer to the 2004 Communication on the goals in the relationship with Latin America within which the improvements in social cohesion are defined as an overriding priority and where regarding particularly to the application of the OMC the Commission declared: "In deciding how to develop a European perspective on issues of poverty and social exclusion,

35 http://europa.eu.int/comm/employment_social/international_cooperation/docs/seminar_13jan05/pareja_speech_en/pdf

36 The final Declaration drawn up with occasion of the last Summit EU/Andean Community, held in Luxembourg in May, 2005, acknowledged that this Plan is a useful tool for fostering social cohesion within the region: http://europa.eu.int/comm/external_relations/andean/doc/lux_ministerial.pdf, at p. 3

37 <http://www.comunidadandina.org/normativa/dec/D601.htm>

the Lisbon European Council chose to draw on the experience of the European strategy for employment which has been in place since 1997. It thus adopted what is known as an Open Method of Coordination. This method allows for dialogue, exchange of experience, establishment of common objectives and evaluation of policies in areas relevant for fighting exclusion. The Commission encourages the countries of Latin America to launch a regional process which will create a new dynamic for dialogue and exchanges between countries of the region, allowing them to learn from each other's successes and failures. If the countries of Latin America were to decide to establish such a mechanism, the Commission would be willing to provide and finance technical support. In this context it is also worth noting the importance of social dialogue."³⁸

Within the framework of the Andean Community's Plan three courses of action are established: 1) technical cooperation on social policy, including the exchange of good practices 2) Regional monitoring of the implementation of the Millennium Development Goals 3) Implementation of individual projects selected at a regional level (the projects may involve one or more countries within the region). So far, these projects are being carried out in the areas of promoting decent work; education and health (fight against malaria, development of early warning mechanisms for the case of outbreaks of contagious diseases, common evaluation criteria as regards to education, and so on). Within this Plan we find the three basic components of the OMC: common definition of goals, peer review and exchange of practice conducive to mutual learning.

On the other hand, and with a view to providing some help for the inequalities between countries and regions within the Andean area, the feasibility of creating a "financial instrument destined to fund some social cohesion programmes and projects" is being currently contemplated. This proposal was launched on

³⁸ COM (2004) 220 final: http://www.europa.eu.int/comm/world/lac-guadal/docs/com2004_220_en.pdf

the basis of the Quirama Declaration issued within the framework of the XIV Andean Presidential Council Summit (2003), which called for the creation of new financing mechanisms addressed to the entrenchment of democratic governance as well as to fighting poverty. This project reminds us the European Cohesion Funds.

In MERCOSUR, a Convergence Structural Fund has already been created. “Mercosur has just agreed to set up a Convergence Structural Fund (FOCEM) to promote structural adjustment between Mercosur members, focusing on the poorest territories and citizens. The fund will support added-value generating projects in the fields of infrastructure, productive investment, fight against poverty and employment promotion and finally on capacity building of the Mercosur administrations”³⁹. This Fund was set up by the Decision CMC N° 45/04. Subsequently, the Decision 18/05 set forth a Social Cohesion Program⁴⁰ along with other three Programmes (Convergence Structural, Enhanced competitiveness and strengthening of the institutional structure and the integration process) to be implemented within the framework of the Fund. The funds for the implementation of all the mentioned Programmes come from the States, with Brazil bearing most part of the cost (70%)⁴¹.

We are not saying here that with these recent developments, Mercosur as well as the Andean Community are consciously following the European path, but this path is there, presented

³⁹ Background paper. High Level Conference: promoting social cohesion: the European Union - Latin America and Caribbean experiences. Brussels 27-28 March, 2006, p. 11: http://europa.eu.int/comm/world/lac-vienna/events/idb_ec_background_230306.pdf

⁴⁰ “Los proyectos del Programa III deberán contribuir al desarrollo social, en particular, en las zonas de frontera, y podrán incluir proyectos de interés comunitario en áreas de la salud humana, la reducción de la pobreza y el desempleo” <http://www.mrree.gub.uy/Mercosur/ConsejoMercadoComun/Reunion28/AnexoII/DEC18-05.htm>

⁴¹ Argentina bears 27%; Uruguay (2%); Paraguay (1%). The total amount is \$ 100 Million. It is very interesting that the regulation of the distribution of the funds is reflective of the concept of regional solidarity, with 80% of the funds bound to Paraguay and Uruguay, whereas only 20% of the funds to be devoted to projects submitted by either Brazil or Argentina. After the inception of this Fund, it has been contended that a “new Mercosur” is born: MONSANTO, A. E. “El Nuevo MERCOSUR: Fondos estructurales, sociedad civil y desarrollo jurídico-institucional”. <http://www.unr.edu.ar/internacional/catedra-andres-bello/downloads/elnuevomercosur.pdf>

as an unprecedented successful formula (for instance, within the Report issued in 2004 by the ILO World Commission on the social dimension of globalization the role of the European Union in promoting the social model is acknowledged⁴²), so the European influence is unavoidable to some extent.

But beyond this diffuse influence exerted by the European Union, mainly through the projection of formulas developed successfully in Europe, we can question what has been done in practice by the European Union. Is there any funds devoted to the promotion of the development of regional tools fostering social cohesion in Latin America?

III. 2 What has been done in practice?

When it comes to the identification of particular Programmes devoted to the promotion and facilitation of social cohesion we find only one tailored Programme: EuroSocial⁴³. It is a EUR 30 Million Programme for cooperation between administrations in both sides in order to build the necessary capacity amongst policy-makers for mainstreaming the social dimension. The programme is focused on health, education, the administration of justice, employment and taxation and is implemented by four multinational consortia.

In addition to this specific Programme it might be added that the reinforcement of social cohesion is conceived of as an overarching goal and that in this vein, there is other Programmes addressed to achieving other objectives which may be considered as contributing also to building more cohesive societies. Nevertheless, a gap exists between the theoretical relevance granted to this goal in the European discourse and the rather scarce European commitment to financially supporting the different initiatives undertaken by the Latin American countries.

42 <http://www.ilo.org/public/english/wcsdg/docs/report.pdf>, paragraph 313-334.

43 http://europa.eu.int/comm/europeaid/projects/amlat/eurosocial_en.htm

IV Some practical and basic lessons to be drawn, for the benefit of developing countries.

Developing countries engaged in negotiations with the European Union might exploit the idea that the European Union cannot afford to lose legitimacy in the global scenario. It is in the interest of the European Union to be responsive to the development needs of its partners. The incoherencies within its external action jeopardize European Union's legitimacy and ultimately undermine the solidness of its position in the world.

It could be said that the particular features of EU's institutional structure brings about a specific model of external relations within where the developing countries may increase their chance to get answers for their needs. In this line we would underscore the role of the European Commission which as is well known is the Institution more clearly representing the supranational interest. The European Commission plays a prominent role within the external action, by negotiating with third countries for example. Even though in the implementation of this particular role it has to follow the specific mandate issued by the Council, the fact is that the influence of the European Commission is remarkable in any case: the European Commission determines to a great extent the approach to a particular country by drawing up the so-called Strategic papers in which the priorities in the relationship with that country are largely established. It is also the European Commission to deal with the organizations implementing the projects financed by the European Community after having selected the projects to be financed; it gathers and manages plenty of information throughout its numerous Delegations across the world, etc. It is mainly in their contacts with the European Commission that the third countries might exploit the argument of the harmful effects of incoherencies in EU's external action. The European Commission is probably the European institution interested the

most in achieving a widespread recognition of the European Union by other international actors⁴⁴.

On the other hand, the EU's multidimensionality makes easier for it to implement a "multilateral" agenda. In the European Union's realm, conceived of as a multidimensional framework, different objectives and priorities, also present within various multilateral frameworks, are brought together. The added value of the European Union might be the fact that as a comprehensive actor (almost as multidimensional as the States), it could contribute better than many multilateral organizations to the achievement of all of these goals. No many States are powerful enough to undertake this kind of action. And on the other hand whereas powerful States are not usually willing to support multilateralism, the European Union is probably intrinsically bound to promote it. And due attention must be paid to the fact that the EU's leverage on the world stage is certainly larger than the leverage of the vast majority of the states typically interested in supporting multilateralism, which basically are weak states benefiting from its participation within multilateral phora⁴⁵. In this vein, we can make reference to the clear commitment on the part of the Latin-American States to multilateralism, as proclaimed in the already mentioned Declaration of Mar del Plata: "To achieve our sustainable development objectives, we need international and multilateral institutions that are more efficient, democratic, and accountable" (Paragraph 16).

In other words, EU's multidimensionality coupled with a strong dose of supranationalism, makes the European Union a perfect international actor to propel the rather fragmented multilateral agenda.

44 AGGARWAL, Vinod K. FOGARTY, Edward A. *"EU Trade Strategies. Between Regionalism and Globalism"*. New York: Palgrave Macmillan, 2004, p. 10-12

45 DE BURCA, Gráinne; SCOTT, Joanne. "The impact of the WTO on EU Decision Making, in: *"The EU and the WTO: legal and constitutional issues"*, p. 27; HELD, David. *"Democracy and the Global Order"*, 1995, p. 16. GERHART, Peter M. "The Two Constitutional Visions of the World Trade Organization". *U. Pa. J. Int'l Econ. Law*, 2003, Vol. 24, n. 1, p. 21.