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FEATURED Q&A

What Strategy Does Europe Have for Latin America?



China's influence in Latin America could replace that of Europe, the European Union's high representative for foreign affairs said recently. // File Photo: Guillaume Périgois via Unsplash.

Q Josep Borrell, the E.U. high representative for foreign affairs, warned last month that the European Union risks being displaced from its influence in Latin America by China if it does not strengthen and improve ties in the region. He specifically mentioned the trade deal with the Mercosur bloc of Argentina, Brazil, Paraguay and Uruguay, which has not yet been ratified, adding that the European Union's role should extend beyond trade to "political and institutional aspects" that include environmental and climate concerns. To what extent has the European Union's influence in Latin America changed over the past years? What is the state of the E.U.-Mercosur trade deal's ratification process, and what lessons can be drawn from it? In what ways can the European Union most effectively increase its presence in Latin America for the benefit of both regions?

A Cristina Gallach, secretary of state for foreign affairs and for Ibero-America and the Caribbean at Spain's Ministry of Foreign Affairs, European Union and Coordination: "E.U.-LAC relations can be understood nowadays not in terms of 'influence,' but rather in terms of interdependence. The European Union and LAC share deep historical, human, cultural, economic and commercial ties. The European Union has signed association agreements, trade deals or cooperation agreements with most countries in the region and has developed a net of free trade agreements and cooperation agreements with 27 out of 33 LAC states. The European Union is the largest investor in the region and the top provider of official development assistance. It remains fully engaged with respect to democracy and the rule of law. The

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Hundreds of Patients Being Flown From Brazil's Manaus

Hundreds of patients who need oxygen will be flown out of the Brazilian city of Manaus as the local health system collapses amid an influx of Covid-19 patients.

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U.S. to Assist Ecuador Refinance Debt, Attract Investment

The U.S. International Development Finance Corporation agreed to help Ecuador repay billion of dollars in loans in exchange for Ecuador excluding China from its telecommunications networks.

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Mexico Won't Prosecute Former Defense Secretary

Mexico's attorney general's office said it will not pursue charges against former Defense Secretary Gen. Salvador Cienfuegos.

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Cienfuegos // File Photo: Mexican Government.

POLITICAL NEWS

Mexican Authorities Won't Prosecute Ex-Defense Secretary

Mexico's attorney general's office said Thursday that it will not pursue charges against former Defense Secretary Gen. Salvador Cienfuegos, whom U.S. authorities arrested in October but returned to Mexico a month later following outrage by Mexican officials, *The Washington Post* reported. "After analyzing the evidence sent by U.S. authorities and the material submitted by Gen. Salvador Cienfuegos, the #FGR has concluded that he had no meetings or communications with any criminal group," the attorney general's office said in a tweet, using the Spanish-language acronym for the office. "It has determined it will not take any penal action." U.S. agents arrested Cienfuegos, who was Mexico's defense secretary for six years under then-President Enrique Peña Nieto, on Oct. 15 upon his arrival at Los Angeles International Airport. He was charged with helping Mexico's H-2 drug cartel to ship thousands of kilograms of heroin, cocaine and methamphetamines to the United States, *The Washington Post* reported. However, the U.S. Justice Department dropped its case against Cienfuegos a month later following heavy pressure by Mexico, where President Andrés Manuel López Obrador's government saw the arrest as a violation of Mexico's sovereignty. Mexico's attorney general's office said Thursday that Cienfuegos in five days presented evidence that it said completely disproved what it called a seven-year investigation of the retired general by U.S. authorities, the Associated Press reported. "The conclusion was reached that

General Salvador Cienfuegos Zepeda never had any meeting with the criminal organization investigated by American authorities, and that he also never had any communication with them, nor did he carry out acts to protect or help those individuals," Mexico's attorney general's office said in a statement. The office added that Cienfuegos was found to have no illicit income, and that there was no evidence "that he had issued any order to favor the criminal group in question." [Editor's note: See related [Q&A](#) in the Nov. 30 issue of the Advisor.]

Hundreds of Patients to Be Flown Out of Manaus Amid Crisis

Hundreds of patients who depend on oxygen will be flown out of Manaus, the largest city in Brazil's Amazon, as the local health system collapses amid soaring numbers of patients with Covid-19, the Associated Press reported Thursday. Amazonas state, where Manaus is the capital, said Thursday that 235 patients who need oxygen but are not in intensive care will be flown to five other states and Brasília to receive treatment there. "All of the world looks at us when there is a problem as the Earth's lungs," said Amazonas Governor Wilson Lima. "Now, we are asking for help. Our people need this oxygen." Lima also thanked governors of other Brazilian states that are accepting patients from Manaus. Brazil's air force also took more than eight tons of hospital equipment, including oxygen cylinders, beds and tents, to the city, Brazilian Vice President Hamilton Mourão said in a tweet. However, federal prosecutors in Manaus asked a local judge to pressure President Jair Bolsonaro's government to increase support for the city. Prosecutors also said the main air force plane that was being used for transportation of oxygen "needs repair, which brought a halt to the emergency influx," the AP reported. Neither the federal health ministry nor the air force replied to a request for comment by the wire service. The U.S. Embassy in Brasília said it had received a request from officials in Manaus to support efforts in the city, though it did not provide

NEWS BRIEFS

Haiti Braces for Protests as Opposition Leaders Seek Moïse's Ouster

Haiti prepared for a new wave of widespread protests today as opposition leaders demand the resignation of President Jovenel Moïse, who has been governing by decree for the past year after the dissolution of Parliament following a failed election in 2019, the Associated Press reported. "The priority right now is to put in place another economic, social and political system," opposition leader André Michel told the AP. "It is clear that Moïse is hanging on to power." The president has dismissed the allegations, calling for a constitutional referendum, as well as legislative and presidential votes.

AMLO Vows to Fight Censorship Amid Trump Social Media Blocks

Mexican President Andrés Manuel López Obrador vowed Thursday to lead an international push to fight what he says is censorship following social media companies' bans of U.S. President Donald Trump from their sites, the Associated Press reported. Some sites banned Trump after a mob of his supporters attacked the U.S. Capitol on Jan. 6.

U.S. Judge Approves Sale of Shares of Citgo's Holding Company

A U.S. federal judge has approved the sale of shares of U.S.-based refiner Citgo's holding company in order to pay off Venezuela's debt to defunct Canadian mining firm Crystallex, a move that edges the Andean nation closer to losing one of its most valuable foreign assets, *Argus Media* reported Thursday. Chief Judge Leonard Stark ruled that the sales process should move forward as far as U.S. sanctions allow instead of forcing Crystallex's owners to wait indefinitely. U.S. sanctions currently block any execution of the sale.

SUBSCRIBER NOTICE

The Latin America Advisor will not be published on Monday, Jan. 18 in observance of the Birthday of Martin Luther King, Jr. holiday in the United States. We will resume publishing on Tuesday, Jan. 19.

details. The escalation in Covid-19 cases in Manaus followed two months of more frequent gatherings than the city had seen earlier in the pandemic. Local elections in November drew long lines of voters, and residents also gathered for holiday celebrations at the end of the year. On Jan. 5, Manaus declared a state of emergency, which allows the city's government to temporarily hire contracted workers and also pay for services and materials without public tenders, the AP reported. Brazil has registered more than 8.3 million confirmed cases of Covid-19, more than any other country in the world except for the United States and India, according to Johns Hopkins University. Brazil also has more than 207,000 reported deaths related to the disease, more than any other country in the world, except the United States, which has more than 388,000.

ECONOMIC NEWS

U.S. to Assist Ecuador Refinance Debt, Support Investment

The U.S. International Development Finance Corporation, or DFC, has signed a deal with Ecuador to help the Andean nation refinance debt and support private-sector investment in the country, the DFC said Thursday. The agreement



Ecuadorian President Lenín Moreno participated virtually in the signing of the agreement. // Photo: Ecuadorean Gov't.

will help Ecuador repay billions of dollars in loans to China in exchange for the South American country excluding Chinese companies from its telecommunications networks, the Financial Times reported. The agency's CEO, Adam Boehler, met with Ecuadorean officials including President Lenín Moreno and Finance

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E.U.-Mercosur agreement is paramount for the two regional blocs in a time of unprecedented challenges. It features the most ambitious sustainable development chapter the European Union has ever negotiated. The trade deal is currently undergoing 'legal scrubbing.' The European Council then needs to sign it, and all E.U. and Mercosur members must sign it. Once the European Parliament approves it, the agreement will provisionally enter into force, though its definitive entry into force will require approval by all national parliaments within the European Union. A key lesson from this ratification process is that only through multilateral commitment will international actors be capable of ensuring environmental respect as well as economic and social welfare. The European Union aims to develop a common agenda for global issues related to governance, sustainable development, human rights, regional and international trade and digitalization, among others. The current post-Covid scenario has made clear that we need to consolidate our common agenda, in line with urgent needs, including inclusive and alternative international financing mechanisms. We will prioritize global health security, develop initiatives for regional health cooperation, including participation in the COVAX Facility, and support sustainable, inclusive debt and investment approaches. The European Union continues to pay particular attention to specific structural gaps in LAC. Combating deep inequalities, socioeconomic and financial exclusions, as well as supporting strong institutional frameworks, peace and democracy, and defending human

rights where needed, remains a priority within the E.U. approach to the region."

A **Anna Ayuso, senior researcher at the Barcelona Center for International Affairs:** "The reasons for the diminishing influence of the European Union in Latin America transcend China's growing presence. Europe was confident that the historical and cultural ties and common values were enough to guarantee its ascendancy and to face the influence of emerging actors without any preferential treatment. However, during the commodities boom, Latin America believed that the Asian locomotive would free them from the regulatory demands of the European Union. The 2008 crisis further undermined the European Union's reputation, although it also showed the weakness of the Latin American model of primary exports that increased its dependence on China. This renewed the interest in diversifying the region's partners and opened the doors to a revitalization of relations with the European Union. The most relevant result was the signing of the E.U.-Mercosur agreement after two decades of negotiations. A unilateral step back by the European Union in the process of ratifying the agreement would greatly damage its credibility in the region and smooth out China's aspirations. The Covid-19 crisis is a new watershed for the European Union's reputation in the region. In order to strengthen a strategic partnership, it will have to invest in cooperation anchored in key areas to boost recovery from the pandemic, such as the universalization of the

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Minister Mauricio Pozo on Thursday to sign the framework agreement, under which DFC will "aim to provide financing for future projects that will support development and economic growth in Ecuador," the DFC said. "This framework agreement allows DFC to streamline support for projects that refinance predatory Chinese debt and help Ecuador improve the value of its strategic assets," Boehler added.

"DFC was created so that no single authoritarian country had undue influence over another country, and we are addressing that factor with this agreement," he told the Financial Times. The DFC has reportedly advised U.S. President-elect Joe Biden's transition team on such an approach. "This is not a Democratic priority or a Republican priority. This is an American priority," Boehler told the newspaper.

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vaccine, the technological and energy transitions, the fight against climate change and policies of social inclusion and protection against poverty and inequality, as well as facilitating access to financial and technical resources to make this possible. Improving the population's living conditions is the best way to protect the legacy of common values and strengthen democracy."

A **Joaquín Roy, director of the European Union Center and Jean Monnet chair at the University of Miami:** "The relationship between the European Union and Latin America should be a priority for both regions. Regional integration, based on trade, human rights, migration and security, is a dimension in which Europe and the Western Hemisphere are ideally prepared to cooperate

“**The alternative of betting on a relationship with Asia is a mirage that will have serious consequences.**”

— Joaquín Roy

for mutual benefit. The ongoing pending agreement between the European Union and Mercosur needs to be finalized. But it takes two to tango, and each one of the partners needs to set aside the marginal differences in order to make the bicontinental agreement an example for the rest of the world. Europe needs to be generous and agree on marginal differences regarding certain products. The countries of Mercosur need to prioritize the strengthening of a relationship with the continent from which central dimensions of culture and history emanate. The alternative of betting on a relationship with Asia is a mirage that will have serious consequences. The creation of an unwelcome dependency

on Chinese investments will further divide the Mercosur bloc and will distance the whole South American region from the United States. From a win-win scenario, it will result in a general loss."

A **Adrián Bonilla, executive director of the E.U.-LAC Foundation:** "The contemporary relationship between Latin America, the Caribbean and the European Union is marked by the processes of reorganization of the international order, which warn of dynamics such as the diversification of economic capacities and the influence of national states and their societies. The emergence of China over the last two decades, the complexity of interregional political relations and the constitution of a bipolar strategic order that revolves around the North Atlantic and the Asia-Pacific region are expressions of these phenomena. The European Union was fundamental in Latin America's political reforms in its transition from authoritarianism to elected governments in the 1980s. Forty years later, it continues to be a central economic partner for most countries in the region, as well as a node of basic cultural and educational affinities. For example, there are more Latin American and Caribbean graduate students studying in Europe than in any other region of the world. With a series of common identity elements, the possibility not only of Latin America, but also of Europe, of having a global voice and influence in world affairs in the immediate future would require a reunion among the two regions. This is true especially if their interests coincide in terms of avoiding Washington-Beijing polarization as the axis of international affairs, which would end up conditioning foreign policy for all states."

The Advisor welcomes comments on its Q&A section. Readers can write editor Gene Kuleta at gkuleta@thedialogue.org.

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