

## **Notes and Reflections**

### **THE ROLE OF PORTUGAL IN EURO-LATIN AMERICAN RELATIONS**

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The necessary “new international order” that everyone is calling for makes us reflect about the role Europe may play in the post-crisis world and the strategy that needs to be adopted to build that order.

Among the challenges that the “New Europe”<sup>1</sup> has to address, the crucial need to define a Global External Policy steps to the fore. As one of its objectives, this policy may consider the establishment of a strategic partnership with Latin America anchored on common values and on the sharing of common interests which, due to its non-exclusivity, may act as an alternative axis. At the *Sixth European Union-Latin American and Caribbean Summit*, which took place in Madrid this year<sup>2</sup> some steps were taken in that direction.

Together with Spain, Portugal emerges as a legitimate intermediary, as it stands at both ends. This fact implies the need to conciliate national interests with those of the European Union.

#### **Portugal and Latin America**

The relationship between Portugal and the Americas was, for a long time and almost exclusively, restricted to the United States in the north, and Brazil in the south.

The 1974 April Revolution and, later, the adhesion of Portugal to the European cooperation/integration zone, led the democratic government to review its position

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<sup>1</sup> The Europe suggested by the *Treaty of Lisbon*.

<sup>2</sup> In Madrid, the negotiations *EU – MERCOSUL* were resumed with a view to creating a free trade zone; the creation of the Eurolat was announced, and the creation of a *Mechanism for Investment in Latin America* in the value of €125 million by 2013 was approved.



regarding Latin America. In effect, the European participation in the peace process in Central America in the 1980s, the establishing of regular European Union – Rio Group meetings and of Ibero-American summits, the joint meetings in the framework of the United Nations General Assembly, and the development of privileged economic and political relations between the EU and the *Southern Common Market* (MERCOSUL), led to the creation, in little over a decade, of a strong network of exchanges and common interests. Portugal, due to its condition as an Iberian country, its historical association with the largest regional power in South America – Brazil – and the weight of the Portuguese community in Venezuela as the second largest in Latin America, could not, for obvious reasons, stay out of this process.

On the other hand, the return to democracy of countries located mostly in the southern part of Latin America fostered important advances in the area of political agreement and regional cooperation and encouraged the region to diversify its relations with Europe, Asia and Africa.

In the first instance, as mentioned earlier, it was historical and cultural links with Brazil and Venezuela that determined the clear preferences of Portugal, mostly in economic and political terms, in the region. Later on, Portuguese interests in the region extended to other fields.

Presently, the relationship between Portugal and Latin America is going through a very dynamic stage. Accordingly, in the economic and trade sectors, Portugal's exports to Latin America amounted to around 426 million Euros in 2008, whereas imports stood at 1.460 million Euros in the same year. The main destinations of exports are Brazil, Mexico, Argentina, Chile, Venezuela and Cuba, while the main products are machines and mechanical equipments, textiles, common metals, plastics, cork, chemical products, medications, paper pulp, vehicles and other transport equipment, wine and olive oil. As for Portugal's imports, the majority of products, mostly foodstuffs and fuels, come from Brazil, Mexico, Argentina, Colombia, Chile, Uruguay, Peru, Venezuela and Cuba.<sup>3</sup>

Still in 2008, and according to data provided by the Ibero-American General Secretariat (SEGIB), Portugal channelled to Latin America around 2.5 million Euros in cooperation projects, and diversified the destination of that aid in an unprecedented manner, making it reach ten new countries. As we can see, funds ceased to be channelled exclusively to Brazil and were geographically spread over ten new receptor countries, with Argentina, Venezuela and Uruguay receiving the largest share.

In the political sphere, Portugal's various governments have been following attentively, and with interest, the political reforms implemented over the last few years in the various countries in the area, in addition to using the Ibero-American summits as a means to strengthen bilateral relations with countries in the region, both in political and other terms. One example, among several, was the signing of an agreement for cooperation in the areas of tourism and air transport, including a memorandum of political agreement between Portugal and Mexico in November 1996, on occasion of the 6<sup>th</sup> Summit in Chile.

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<sup>3</sup> According to data made available by *IPDAL*, and which is kept on file.



## **The European Union and Latin America**

Within the EU, it has positively accepted, right from the onset, that the accession of Spain and Portugal implied, and still does, the increased attention of Europe towards Latin America.

The point of departure was the Joint Declaration of Intentions (a Declaration Annexed to the Treaty of Accession of 12 June 1985), a demonstration of political will which confirmed the importance given to links with Latin American countries. The Declaration reinstated the decision to strengthen economic, commercial and cooperation relations and suggested some collaboration measures and the economic and commercial sectors where it would be possible to intensify and reshape relations. Subsequently, the Council of Ministers of Foreign Affairs of the European Community published a document titled "European Union New Orientations for relations with Latin America". The "new orientations" established a new conceptual and juridical framework for relations between the two regions, as well as the necessary mechanisms for strengthening them.

On 18 December 1990, the Council of Ministers of the European Community approved the document titled "New orientations for cooperation with Latin America and Asia in the 1990s", which aimed to address the challenges facing relations between those two regions, in the international scenario that had, meanwhile, emerged. Besides affirming environmental issues as one of the objectives of that cooperation, the document set out the so-called "democratic clause" as a general rule, a mechanism that confers the European Community the possibility of restricting its cooperation to humanitarian issues should a particular country fail to respect accepted rules of democracy or the principles stated in the Universal Declaration of Human Rights (Gomes, 1999: 175).

Afterwards, as part of the 1994 strategy for Latin America of the Council of the European Union, and the subsequent 1995 statement of the Commission, the idea that it was necessary to build a relationship of "association" with Latin America was brought forward, as a means to improve the quality of that relationship. These papers underlined the political vision of the EU regarding the various challenges posed by Latin America at the time, such as international economic insertion, impulse to integration, state reforms and the need to take notice of basic social needs (FRERES and SANAHUJA, 2006:49).

Presently, the European Union (EU) has bilateral or multilateral cooperation agreements with all Latin American countries and groups, including Cuba.<sup>4</sup>

Recently, the EU has signed more ambitious agreements that envisage, over time, the establishment of free trade zones (for instance, with the MERCOSUL, with Mexico and Chile and, very recently, with Peru and Colombia, and with Central America as a whole). There has been a permanent contact with the Rio Group since 1990.

In 1999, the First EU-Latin America and Caribbean Summit took place, establishing a bi-regional strategic partnership which was further consolidated in the summits that followed, the last of which took place in Madrid last May.

Despite disagreements between Europeans and Latin Americans with regard to an increased opening of the latter to European industrial products, and the non-tariff barriers imposed by the former towards their agricultural products, the EU is currently

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<sup>4</sup> The admittance of Cuba to the Rio Group was approved in 2008.



the second largest commercial partner of Latin America, and the first commercial partner of MERCOSUL and Chile. According to data published by the European Commission, the volume of trade with Latin America has more than doubled since the beginning of the decade. Accordingly, in 2009 the trade of goods with Latin America amounted to 71 thousand million Euros with regard to imports, and to 63.4 thousand million Euros in exports (6% of the EU's total external trade). As for services trade, imports amounted to 19 thousand million Euros and exports topped 28 thousand million Euros, representing, respectively, 4.35% and 5.44% of the world's trade exchanges. The EU's direct investment in Latin America was 275.4 thousand million Euros. The EU's trade balance is negative with respect to goods and shows a surplus in the case of services.

### **The role of Portugal in Euro-Latin American relations**

Regarding Latin America, and since its participation in the Conference of San Jose I in 1984, Portugal was a de facto member of the European political cooperation in issues related to Latin America. Accordingly, during the Portuguese presidency of the Council of the European Union in 1992, a third generation agreement was signed (framework cooperation agreement) between the European Union and Brazil. At the same time, the meeting between the Community and the Rio Group took place in Santiago, Chile. At the end of the Eighth San Jose meeting in Lisbon on 24-25 February 1992, the two regions issued a political declaration that expressed the direct relationship between democratization, economic development and social justice.

As part of the Portuguese presidency of the European Union in 2007, EU institutions established an Agreement for Strategic Association with Brazil, thus acknowledging the growing importance of that country at both regional and world level. The EU's interest for the "emerging power" appears to effectively conciliate Portugal's national interests with those of the EU.

In the post-crisis world, and as Latin America shows positive signs towards economic development and democratic consolidation, the Europe growth challenge may effectively find an answer in the diversification of its interests and decentralization of its attention to all States in the region. This way, Portuguese investment in Latin American countries and in projects, such as the creation of an Ibero-American Community of Nations, is justified, not only due to the national interests of Portugal in the region, but also due to the necessary strengthening of its negotiating clout in a Europe that may include in its strategy the creation of a true partnership with Latin America. The role of Portugal in Euro-Latin American relations appears to be that of facilitator of that strategy

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#### **How to cite this note**

Gomes, Nancy (2010) "The role of Portugal in Euro-Latin relations". Notes and Reflections, *JANUS.NET e-journal of International Relations*, N.º 1, Autumn 2010. Consulted [online] on date of last visit, [observare.ual.pt/janus.net/en\\_vol1\\_n1\\_not2](http://observare.ual.pt/janus.net/en_vol1_n1_not2)