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Prospects for Spain–Latin America–Asia-Pacific Triangulation

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Subject: Triangulation between Spain, Latin America and Asia-Pacific is one of the initiatives of the Spanish government's *Asia-Pacific Framework Plan 2000-2002*. It attempts to take advantage of solid Latin American relations and growing trans-Pacific links to defend Spain's Asia-Pacific strategic interests.

Summary: Triangulation between Spain, Latin America and Asia-Pacific is an initiative that attempts to take advantage of the solid relations between Spain and Latin America and the growing links between Latin America and Asia-Pacific to defend and promote the strategic interests of Spain in Asia-Pacific, fully convinced, furthermore, that the triangular scheme is also beneficial for the Asian and Latin American regions. This analysis looks at the background of the triangular approach, ever since it was included in 2000 as one of the measures in the *Asia-Pacific Framework Plan*, as well as the bases and prospects of the triangulation.

Analysis: Triangulation between Spain, Latin America and Asia-Pacific is an initiative that attempts to take advantage of the solid relations between Spain and Latin America and the growing links between Latin America and Asia-Pacific to defend and promote the strategic interests of Spain in Asia-Pacific, fully convinced, furthermore, that the triangular scheme is also beneficial for the latter region and for Latin America. It is an exercise in "creative diplomacy" that must be understood as a vocation, a will and an incipient process in Spanish foreign policy.

Nonetheless, it is based on a fact and a desire. The fact is that there is a triangle whose sides are not equal. Spain-Latin America relations are solidly based, as is well known, on different levels: linguistic, cultural, political and economic. The Latin America-Asia-Pacific side has a growing economic dimension, which is expressed institutionally in the presence of three Latin American countries (Mexico, Peru and Chile) in the *Asia-Pacific Economic Co-operation Forum* (APEC) and of five countries in the region (the three abovementioned plus Colombia and Ecuador) in two other trans-Pacific bodies (namely the *Pacific Basin Economic Council*, PBEC, and the *Pacific Economic Co-operation Council*, PECC). That side has recently begun to obtain political instruments, among which the main one is the Latin America-East Asia Co-operation Forum (FOCALAE in its Spanish acronym), created in 1999 and whose first ministerial summit meeting was held in Santiago de Chile in March 2001. FOCALAE's goal is to support political dialogue, boost economic and trade co-operation, and develop cultural relations between the two regions. The third side, Spain-Asia-Pacific relations, is obviously the least developed one. The desire is –and that is clearly the intention from the Spanish perspective– to take advantage of the synergies of the other two sides of the triangle in order to strengthen the third one.

Background

The Spanish Foreign Ministry's Asia-Pacific 2000-2002 Framework Plan established as one of its objectives (in section III.1.6. Spain–Asia-Pacific–Latin America Triangulation) the following: "a study will be made regarding the possibilities of triangulation, and a Spain–Asia-Pacific–Latin America Forum will subsequently be held, with a wide range of representatives from the different sectors of society and the official world."

Thus, in March 2001, the Secretary of State for Foreign Affairs commissioned a study on triangulation from two university professors (me, the undersigned, and José Ángel Sotillo, both from the Madrid Complutense University), which was completed in September of that year.

In December 2001 the first triangulation conference was held in Madrid (Casa de América), attended by

distinguished Spanish and foreign specialists. The foreign speakers were Sergio Cesarín (ISEN –Instituto del Servicio Exterior de la Nación–, Buenos Aires), Carlos J. Moneta (ex Permanent Secretary of the Latin American Economic System, SELA in its Spanish acronym, whose headquarters are in Caracas) and Mitsuhiro Kagami (Executive Vice President of JETRO –Japan External Trade Organisation–, Tokyo) from Japan.

The minutes of that conference were published in mid-2002, together with the mentioned report, in the book "*La cuadratura del círculo: posibilidades y retos de la triangulación España-América Latina-Asia Pacífico*" (P. Bustelo and J. A. Sotillo, coords., Los Libros de La Catarata, Madrid).

As for "Casa Asia", whose activities have substantially accelerated in the second half of 2002, its byelaws state that one of the objectives of the consortium (consisting of the Ministry of Foreign Affairs, the Generalitat de Catalunya, and the Barcelona City Hall) is to "design programs linking the Pacific basin with Latin America, and especially with the Latin American countries that belong to APEC, to which end "Casa Asia", which aspires to be twinned with "Casa de América" in Madrid, will host at its headquarters an annual seminar devoted to this subject attended by expert researchers from Europe, Asia and Latin America."

Thus, in November 2002, the II Triangulation Conference was held in Barcelona, organized by "Casa Asia" in the headquarters of the CIDOB, attended, among others, by the following foreign speakers: Jesús Estanislao (Advisor to the Philippine Presidency), Akio Hosono (University of Tsukuba, Japan), Horst Krenzler (Asia-Europe Foundation, ASEF), Juan José Ramírez Bonilla (APEC Studies Center at "El Colegio de México") and Manfred Wilhelmy (Chilean Pacific Foundation).

Triangulation basics

It is well known that the growing regionalism in international relations (EU in Europe; NAFTA (North American Free Trade Association) and Mercosur in America; in Asia, the free trade area of the ASEAN -Association of Southeast Asian Nations- or AFTA -ASEAN Free Trade Area-, the recent ASEAN-China agreement, and the ASEAN + 3 process, that is, the ten countries of southeast Asia plus Japan, China and South Korea,) is being accompanied by inter-regional bridges (transatlantic dialogue, Asia-Europe Meeting –ASEM–, APEC, FOCALAE, etc). The rivalry that may arise from the creation of regional economic (and, increasingly, political) blocks, tries to be contained or counteracted with inter-regional agreements or groups, that also meet the requirements of globalization.

The three sides of the Spain (or EU) - Latin America - Asia-Pacific triangle have very different characteristics:

- the Spain (or EU) - Latin America side is very solid: to date there have been 11 Iberoamerican summit meetings and two EU - Latin America/Caribbean summit meetings. Spanish cultural presence and, more recently, Spanish investments in the subcontinent have shown a growing trend and are quite important today;
- the Latin America - Asia-Pacific side has a growing political dimension in addition to increasingly important economic relations. The APEC forum (which includes 21 countries or territories on both sides of the Pacific, including three in Latin America: Mexico, Peru and Chile) is, however, in the midst of a crisis. The differences between Asians and Anglo Saxons (the former insist on a "lax" integration approach focused on co-operation matters, and the latter on an institutional approach focused on trade and financial liberalization), the changes in the economic context since the Asian crisis of 1997-98, and the new Forum agenda since September 11th 2001, focused on security matters, are mostly responsible for the loss of force of the APEC process. Furthermore, the growing interest of the USA in the Free Trade Area of the Americas (FTAA) and the Asian response with the ASEAN + 3 process have smothered to a great extent the attempts by APEC to create –as approved in the Bogor summit meeting in 1994– a transpacific free trade area by 2020. In this context, the FOCALAE process is obtaining an ever increasing role. FOCALAE has a double advantage over APEC: (1) it includes Latin American countries that do not have a Pacific coast (its members are currently 15 on the American side and 15 from Asia-Pacific); and (2) its agenda is not only economic, but also social, cultural and even political. As for economic relations, the figures show solid progress of trade exchanges between the two regions, as well as a notable increase in Asian investments in Latin America but, above all, they suggest that there is a considerable margin for development on both sides. Bilateral trade comes to barely 1% of global trade and Asian investments in Latin America –excluding those in tax-free havens– are just 3% of the total investment received by the subcontinent. The wide-ranging prospects for increasing economic ties undoubtedly explain the recent launch or study of bilateral free trade agreements between Asian and Latin American countries

(Japan-Chile, Japan-Mexico, Singapore-Mexico, Korea-Chile, etc.);

- the Spain (or EU) - Asia-Pacific side consists, at the political level, of an ASEM process (whose fourth Heads of State and Government summit was held in Copenhagen in 2002), which has not quite taken off yet (due to the concentration of the efforts of each party in the expansion of the EU and in the new integration initiatives in eastern Asia) and, at the economic level, of scarce and occasionally unbalanced relations for the EU and particularly for Spain.

Prospects

Triangulation is an interesting idea that needs to have economic, political and cultural content to be productive.

There are at least three economic aspects that ought to be seriously explored: (1) possible investments in Asia by Latin American subsidiaries of Spanish companies or, at least, investments in Asia that take advantage of the experience acquired in the American subcontinent: in other words, Spanish companies could begin to contemplate Latin America not just as a lab for future internationalization in other regions, but eventually also as a "bridge" towards Asia; (2) possible joint Spanish-Asian ventures to invest in Latin America. Spain can offer Asian countries its investment experience in Latin America and, in particular, its participation in the privatization, merger and acquisition processes, in which Asian countries –even Japan– have barely been present; and (3) possible Asian investments in Spain based on the idea that our country can be an efficient bridge or a privileged platform not only to the EU, but also to Latin America. In more general terms, presenting and explaining in Asia Spain's presence and investment experience in Latin America may contribute heavily to improve the image of our country in Asian countries.

On a political level (which is probably the most promising of the three), there is no obstacle, at least at first, for Spain to take part in some activities (especially, the cultural ones) of FOCALAE, and even for our country to become a member of that forum. The cultural agenda of FOCALAE refers to Latin America in a wide-ranging way, and not just to Latin America and the Caribbean. It is also noteworthy that FOCALAE has three working groups (political-cultural, economic-social, and educational-scientific) in which Spain could –to a larger or smaller extent, depending on each case– collaborate. Furthermore, the FOCALAE framework document (approved in the ministerial meeting in Santiago) refers to participation in the forum as follows: "the forum consists of sovereign states that take part as individual nations. Membership in the Forum will be open to all sovereign countries committed to the promotion of improved relationships and links between Latin America and eastern Asia. New members can be admitted by consensus. (...) The activities and projects of the Forum will be limited to its members. Other sovereign states, as well as international and regional organizations, may take part in specific projects and activities, if there is consensus among its members." One should take into account that the next ministerial meeting of FOCALAE will be held in the Philippines, whose relations with Spain are very close, in 2003. Additionally, and changing the subject, it could be interesting to promote a dialogue on Asia-Pacific as part of the Latin American Summits, support the inclusion of Latin American matters in the ASEM agenda, and take advantage of the privileged relations of Spain with Mexico, Peru, Chile, and the Philippines to monitor more closely the APEC process from the Spanish side.

On the cultural level, in addition to an eventual Spanish (and Portuguese) participation in the cultural activities of FOCALAE, the promotion of Spanish as a cultural and business language in Asia-Pacific could be made easier by taking advantage of the triangular scheme. Specifically, the Asian communities in Latin American countries (and in some states in the USA with a strong Hispanic population) could support making Spanish more widespread in their countries of origin. In addition, Spain could also –for example, through such initiatives (virtual and otherwise) as Casa Asia– contribute to broadcasting Asian reality in Latin America.

Conclusions: Triangulation is an "idea in progress" that needs to be expounded repeatedly: for example, many businessmen continue to think, and they are often quite right, that the shortest distance between two points is a straight line, but the truth is that in this case, that straight line barely has any content, as can be seen from the trade and investment figures –scarce and often unbalanced– between Spain and Asia-Pacific. Furthermore, the triangular scheme may, in any case, lead to the strengthening of direct relations between our country and Asia.

Triangulation is also an interesting idea for all three parties. Spain, obviously, is, or should be, very interested. Asia can take advantage of Spanish experience to strengthen its links to Latin America. The latter, for its part, could take advantage of Spanish presence in the triangle not only to strengthen its economic links with Asia, but also to jointly support measures that lead to a greater mutual understanding between Latin America (in the widest sense) and the Asian region.

Furthermore, triangulation is an initiative that requires more reflection and research: the annual conferences on triangulation, two editions of which have already been held in Madrid (2001) and Barcelona (2002), will undoubtedly be the suitable forum in which to pursue the analysis of the advantages, the prospects and the challenges of that initiative.

Finally, it is obvious that triangulation cannot just remain in the realm of ideas or good intentions. It requires the development of its practical aspect, especially at the political level, although without forgetting economic and cultural aspects. The challenge faced by the Administration, corporations, the university and research communities, the cultural agents and other participants in our country, is to provide content to what is undoubtedly not only a seductive idea and a good example of "creative diplomacy", but also an initiative that may have, if it is properly channeled, tangible results.

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