

## **Workshop: Social cohesion, regionalism and development in Latin America and the Caribbean**

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The current development agenda in Latin America and the Caribbean prioritizes the social issue. International organizations, the European Union (EU) and other forums indicate that it is essential to deepen social cohesion to enable the region to overcome its socio-economic problems. To this end, processes of regional integration can play a key role, fostering cohesion policies and reducing the cross-regional asymmetries, as the EU has been able to do.

The specific nature of Latin American societies and the lack of institutional development of the States and regional blocs make it difficult to replicate the European experience in Latin America. However, it is possible to use some features of the European integration process as a reference.

Today's political and economic situation favors the achievement of social cohesion in the region and we can register some incipient progress within the framework of MERCOSUR. Nevertheless, the path toward more balanced and cohesive societies is still long and largely depends on the social commitment that Latin American States assume and their willingness to cede some spaces of sovereignty so as to strengthen the regional integration processes.

The **Globalization Project** of the Friedrich Ebert Foundation and the journal **Nueva Sociedad** organized a workshop with the participation of the president of the "Economic, Social Cohesion and Environment" Commission of the Socialist International, Cristoph Zöpel, and specialists from all over the region.<sup>1</sup>

### **The concept of social cohesion**

In view of the "social debt" inherited from the neoliberal reforms, an approach has been installed on the development agenda of Latin America and the Caribbean that highlights the lack of social cohesion in the region and that prioritizes the social dimension of development.

The EU originally introduced this perspective during the Summit of Guadalajara in May 2004 and has since played a key role in bi-regional relations. Recently, the issue has also become the core of the debate of the Ibero-American Summit in Santiago de Chile.

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International and regional organizations (such as, the World Bank, the Inter-American Development Bank, the Economic Commission for Latin America and the Caribbean, and others) have begun to incorporate the concept of social cohesion, which is somewhat paradoxical if we consider that these organizations were the main spokespersons for market policies for 20 years, downplaying the social issue and redistribution. The new approach is anchored in the idea, now accepted, that poverty and inequality undermine the bases of development and politically destabilize the States.

Despite the strength that social cohesion has gained in recent years, no precise definition of the concept has been agreed upon. To the contrary, we can identify three distinct connotations: first, linked to the idea of "yearning for community" in the light of the social fragmentation produced by the advance of the globalization process; second, as a synonym for equity and social inclusion; and third, evoking a subjective dimension, which is the sense of belonging to a community or a society's common project.

Some link the concept of social cohesion to *human security*, that is, the protection of people's fundamental rights, protecting them from threats and critical situations. In this sense, social cohesion would guarantee all citizens the "right to live," free of poverty or hunger and with access to education, health, a decent home, and adequate employment, among other aspects: a cohesive society would be that in which all persons can freely exercise their rights.

In spite of the multiple attempts to clarify the concept, it is still quite diffuse. While some point out that the distinction between cohesion, inclusion, and social integration is fuzzy, others consider the terms to be interchangeable. The lack of accord on the concept and, hence, the difficulty to put it into practice constitutes an obstacle in policy making.

### **Social cohesion and integration: is the European experience reproducible?**

It is difficult to approach social cohesion in Latin America and the Caribbean from the perspective of regional integration as few studies have been conducted linking these two aspects in the region. Yet, note that the scarce literature on the theme stresses the distributional dimension of social cohesion and refers to the EU experience in dealing with this matter.

The search for social cohesion forms part of the constituent treaties of the EU and currently has a privileged place in its budgetary allocation. For the EU social cohesion is an end and a means. As an end, it aims at improving the living conditions of the members of society, creating equal opportunities for individuals; and as a means, it tries to deepen the integration process itself by reducing existing asymmetries between countries and regions that comprise the EU.

The EU promotes social cohesion based on two instruments: the Structural Funds and the Cohesion Funds. The first, belonging to the community sphere, seek to narrow the development gaps between regions. The second are ruled by an intergovernmental logic and help some members States to lessen the economic and social disparity through investment in infrastructure.

Serious doubts exist as to whether it is possible to mimic the European experience in the region. Most Latin American experts say it cannot be done basically because we are dealing with such diverse contexts and societies.

Those who sustain that the EU experience is unique and not transferable highlight that when the social cohesion policies in Europe were implemented, their societies were far more solidarious and integrated than Latin America is today; they also say that the asymmetries between regions and countries were far fewer than can currently be found in Latin America. The contextual difference would imply that the concept be in-

interpreted differently in each of the regions. For example, the search for social cohesion in Latin America cannot overlook the huge struggle against hunger, a point that is irrelevant in Europe.

Another factor that makes the European experience difficult to replicate in Latin America is the absence of a strong State, akin to the European Welfare State. To the contrary, Latin American States are weak, not very transparent, and do not distribute rents equitably. Also, for most of the countries, the social policies are ineffective and the tax regimes tend to be regressive.

The third structural point that impedes regional social cohesion and distinguishes Latin America from Europe is that, unlike the old continent, the region has neither complementary markets nor the necessary infrastructure to physically integrate the regional economies.

Despite the above difficulties, others consider that it is possible to reproduce the EU experience. Those that defend this position stress the absence of serious regional conflicts and say that the energy theme can act as a motor to foster regional integration, as occurred in Europe with the creation of the Steel and Coal Community (CECA).

Although there is an overall consensus that it is not possible to reproduce the process of European integration in Latin America, Europe is a valid frame of reference and the search for a greater equilibrium between the regions and the transfer of functions to the community domain are aspects that the region can redeem from the EU experience.

Likewise, the EU can contribute to the achievement of regional social cohesion, fostering programs for technical cooperation and association agreements that contemplate the social dimension of development. However, for these agreements to be truly effective at building social cohesion, they must reflect the inequality that rules the relationships between the two regions, even though Europe shares values and principles with Latin America that it does not with other developing countries.

## **The difficulties of social cohesion in Latin America**

From the view of integration processes, five obstacles to regional social cohesion have been identified.

One, in a region where income distribution benefits the rich and the middle-income sectors and where social cohesion policies play a marginal role, it is unlikely to think that mechanisms can be developed to reduce asymmetries at the regional level because the integration processes reproduce the internal dynamics of the States. Those who share this vision consider that it is first necessary to put into practice mechanisms for social cohesion at the national level and later follow at the regional level.

Two, the inequality and the multiple divergent interests between countries hinder the implementation of social cohesion policies at the regional level.

Third is the "misunderstood" conception of sovereignty that exists in the region and that rejects the idea of transferring powers to the community or supranational level.

Four, the largest countries, like Argentina and Brazil, have no real interest in targeting funds to reduce asymmetries between regions as they themselves have serious differences of their own.

Finally, with respect to social cohesion understood as a sense of belonging, the difficulties are associated with the lack of transparency and accountability of Latin American States and their very regional integration processes.

Despite the above difficulties, there has been some modest progress within the frame of MERCOSUR that merits mention.

### **Incipient advancements in MERCOSUR**

The Structural Convergence Funds of MERCOSUR (FOCEM) were recently created. Their objectives are to overcome the asymmetries between countries, promote competitiveness and social cohesion and strengthen the institutional structure of MERCOSUR. Undoubtedly, these funds represent important progress toward greater cohesion across the member countries of the bloc. However, it is important to highlight that this advance has a rather conceptual nature since the resources destined to FOCEM are quite scarce (barely reaching US\$ 100 million). In addition, the mechanisms are ruled by an intergovernmental logic, whereby the largest countries help the smallest.

Other initiatives favoring cohesion are the Strategic Plan to Overcome the Asymmetries of MERCOSUR, the meetings with vice-ministers to steer the process, the creation of the Permanent Social Secretary of the bloc, and the Social Institute of MERCOSUR.

With respect to the subjective dimension of social cohesion, important steps are the mechanisms to promote the participation of civil society in decision-making, such as the "Somos MERCOSUR" [We are MERCOSUR] Program, the MERCOSUR Parliament, and the Consultation Forum of Municipalities, Federal States, Provinces and Departments of MERCOSUR. The participation of civil society in these realms is key to the democratization of the process and, thus, to the promotion of cohesion among the members of the bloc. Additionally, the dialogue in these kinds of spaces enhances the interchange of experiences between the countries about the social policies each member fosters.

**Translation: Verónica Mastronardi**

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