



British Foreign Policy Group

REVITALISING UK-LATIN AMERICA ENGAGEMENT POST-BREXIT



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She started her role as Her Majesty's Trade Commissioner to Latin America and the Caribbean in April 2018. Jo is also British Consul-General in São Paulo, a role she has held since February 2015.

She has worked for the UK Government since 2001, having occupied a number of roles within the former Department for Business, Innovation & Skills (BIS) and HM Treasury — covering issues as diverse as nuclear decommissioning, social enterprise and corporate finance.

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Foreword

UK-Latin America Engagement Post-Brexit

By Joanna Crellin [@JoannaCrellin](https://twitter.com/JoannaCrellin)

- Latin America is a region which has always presented opportunities to the UK but has, at times, been overlooked. As Her Majesty's Trade Commissioner for Latin America part of my role is to raise the profile of Latin America & the Caribbean as a trading partner for the UK and to ensure that British companies are aware of the size, dynamism and potential in this region.
- The Canning Agenda in 2010 was a welcome step in strengthening the links between the UK and the region and has provided us a firm base on which to build our future relationship. But as the political landscape around the world evolves, including in the UK and Latin America, this gives us an opportunity to consider again what more we can do to drive forward engagement with the region and the countries within it.
- This British Foreign Policy Group report by Edward Elliott and Dr Thomas Mills is very welcome and provides a timely assessment of the Canning Agenda at a pivotal time for the UK's foreign policy. The in-depth analysis of the successes and limitations of the Canning Agenda gives us a clear view of where these vital relationships stand today, whilst also providing useful policy recommendations for the UK to build on them even more.
- One of the key challenges around trade, as well as political and cultural relations, is the need to improve perceptions of Latin America in the UK. This is a region which UK businesses can no longer afford to ignore. With a population of 650m people, almost double that of the USA and 10 times the size of the UK, it is home to three of the four biggest cities in the Americas. It is the most urbanised region in the world, with around 80% of its population living in cities. Much of the population has risen quickly into middle class and are now demanding more modern policies, goods and services. In order for the UK to make the most of the opportunities available it needs to move away from outdated perceptions of the region. This is in stark contrast with the positive light with which the UK is viewed by Latin America where the history we share with many countries is more deeply remembered than in the UK.
- The "attractiveness gap", as it is defined in this report, is one of the key areas for me, as Her Majesty's Trade Commissioner for Latin America and the Caribbean, and others to tackle. We are already doing work on this by making the opportunities more visible to the UK, and ensuring that we have the right framework to support companies from both the UK and Latin America as they seek to do business with each other.
- Following the vote to leave the European Union, the UK will be looking to build on existing trade links around the world, as part of a broader strategy of global engagement - countries of Latin America will need to form part of this strategy. There is huge potential for the UK and great desire from Latin America to build on this engagement. This report provides valuable research and analysis about how the UK can do just that.

The British Foreign Policy Group is an independent not for profit organisation established to improve the quality of national engagement on UK foreign policy, and generate new thinking around how the UK can pursue our common national interests from our international engagements. The group takes no institutional position and all views expressed are those of the authors. Established in Autumn 2016, the British Foreign Policy Group engages people across the UK and our Overseas Territories through events, accessible, reliable information and digital outreach.

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BFGP



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Dr Thomas Mills is a foreign policy and diplomacy lecturer at Lancaster University. He has a particular interest in UK and US foreign policy towards Latin America and US-Anglo diplomatic relations.

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Introduction

Revitalising UK-Latin America Engagement post-Brexit

Having struggled for much of the twentieth century to emerge from the shadow of US hegemony, Latin America has in the years following the end of the Cold War, increasingly played an important role in international affairs. Three of the G20 countries are now located in Latin America, and Mexico and Brazil in particular are playing an important role in international diplomacy. As part of a more general shift in the balance of power towards the countries of the global south, Latin America is likely to be a region of growing geopolitical importance in the coming decades. Indeed, the 2018 G20 summit is being hosted in Argentina, which is symbolically important as it will be the first time this event is hosted in South America. Whilst trade issues between the US and China are likely to dominate the agenda, the event can provide the opportunity for the UK to bring its relationship with the region into more focus, particularly around infrastructure for development, one of the 3 agenda priorities and an area where the UK has significant expertise and knowledge.

In the years coming up to 2018, there has been a general trend towards greater engagement with the world's emerging powers. In the wake of the financial crisis of 2007-8, a broad consensus emerged across the UK political spectrum over the need to rebalance the country's economy by boosting overseas trade and investment. The focus of this effort has largely been on enhancing ties with emerging economies. The coalition government of 2010-15 attempted to inaugurate a 'golden era' of relations between Britain and China. While often overshadowed by the larger economies of Asia, new efforts were also made to increase British engagement with Latin America.

Specifically, the Foreign Secretary William Hague used his address to Canning House in 2010 to announce that Latin America would be a 'key focus' as the government sought 'strengthened relations in the world in pursuit of prosperity and security'.¹

The decision taken through the referendum in June 2016 for Britain to leave the European Union has intensified the country's focus on the emerging powers of the world under the broad policy banner of 'Global Britain'. While often lacking in specific policy proposals, the last two years have witnessed a consistent commitment by the government to increase engagement with the non-European world in the aftermath of the Brexit vote. Most recently, the Prime Minister made a tour of three African countries (South Africa, Nigeria and Kenya) to emphasise Britain's desire for greater economic and political cooperation with the continent. A few months previously, the then Foreign Secretary Boris Johnson took a similar message to Latin America on a trip taking in Peru, Chile and Argentina. If Britain and Latin America could resurrect their historic ties, announced the Foreign Secretary on his return, 'realms of gold' would await.²

Political trends in Britain and more broadly across the globe do therefore suggest an enhanced relationship between Britain and Latin America would be mutually beneficial. However, notwithstanding the efforts of recent British governments to secure this goal, by many measures Latin America remains peripheral to the country's global outlook. Despite attempts to increase British trade and investment with the region, British exports to Latin America and the Caribbean represent less than 2 per cent of its global

¹ <https://www.gov.uk/government/speeches/britain-and-latin-america-historic-friends-future-partners>

² <https://www.gov.uk/government/speeches/we-have-neglected-latin-americas-realms-of-gold-for-too-long-brex-it-can-change-that-article-by-boris-johnson>

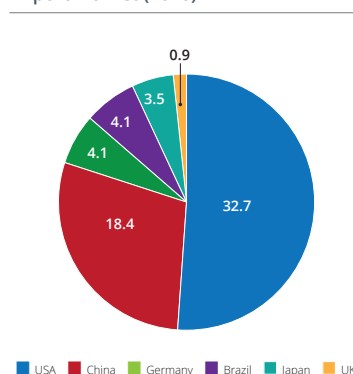
total. More generally, notwithstanding cooperation on issues ranging from the Colombian peace process to the Olympic Games, when thinking about Britain's global interests, Latin America is often overlooked in British foreign policy circles.

This paper seeks to invigorate renewed interest in Britain's relations with Latin

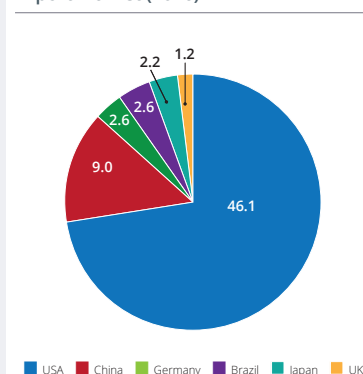
America. Following a brief overview of the historical relationship, it offers an evaluation of the "Canning Agenda" launched by the Coalition government, an assessment of the impact of Brexit on UK-Latin America relations, and finally, a set of policy proposals aimed at revitalising UK-Latin America engagement in the post-Brexit era.

Facts and figures*

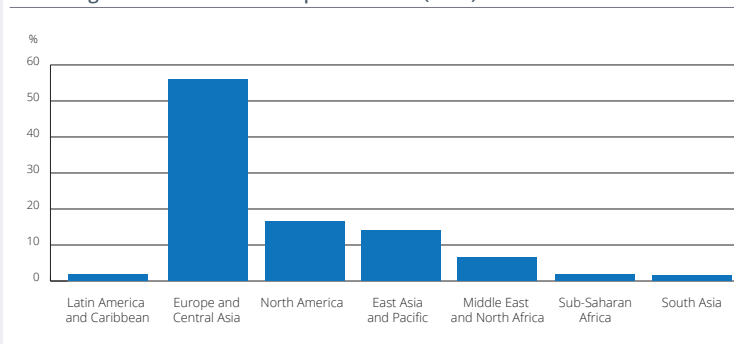
Percentage Share of Latin American Import Market (2016)



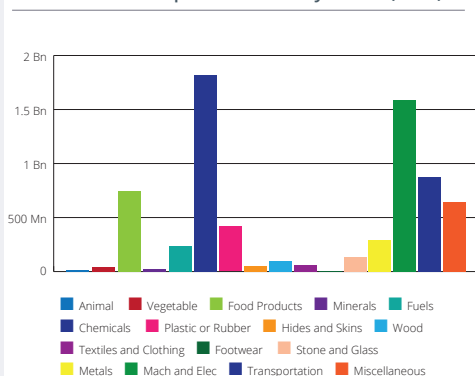
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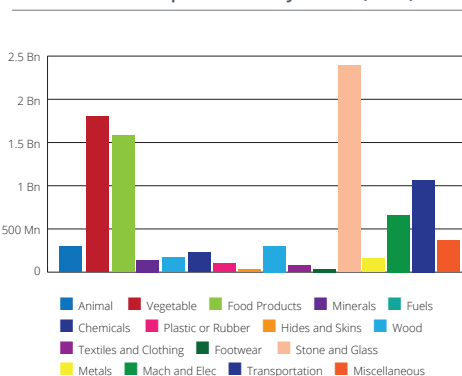
Percentage Share of UK Global Export Markets (2016)



Latin American Imports from UK by Sector (2016)



Latin American Exports to UK by Sector (2016)



*Charts reproduced and adapted from World Bank's World Integrated Trade Solution, <https://wits.worldbank.org/Default.aspx?lang=en>

Britain and Latin America in Historical Perspective

While Latin America may be marginal to Britain's global role today, the histories of Latin America and Britain are in fact closely intertwined. Private British citizens and institutions provided practical and financial aid to support the independence struggles in Latin America in the early nineteenth century, even as the government remained neutral. From the mid-nineteenth century until the First World War, British economic influence was predominant throughout Latin America. This was based on three elements. Firstly, British capital invested heavily in the region, both in lending to governments and directly in railways and public utilities. Britain was also a major trading partner for Latin America, accounting for roughly 25-35 per cent of most of the major Latin American countries' trade in 1913.³ Finally, Britain's network of trade and investment was underpinned by dominance in vital services, such as shipping, insurance and banking.

From the First World War onwards, British economic influence in Latin America gradually declined. This took place for a number of reasons. British investments in railways, public utilities and sovereign debt all became unprofitable in the twentieth century. British trade with Latin America suffered too, as exporters were unable to compete with other powers in the region – particularly Germany and the United States – in meeting demand for new types of products, such as household electrical goods and automobiles.

There were periodic attempts to halt Britain's decline in Latin America throughout the twentieth century. Prominent trade and finance missions to the region were led by Sir Maurice de Bunsen (1918), Lord D'Abernon (1929), Sir Otto Niemeyer (1931), and Sir Michael Stewart (1966). Britain also secured the famous Roca-Runciman trade agreement in 1933 which significantly helped its economic standing in Argentina long after its position had deteriorated elsewhere.

Notwithstanding these efforts, the decline of British influence in Latin America was also the result of conscious decisions taken by successive governments throughout

the twentieth century. In response to the Great Depression of the 1930s, Britain prioritised trade within the Empire at the expense of other parts of the world like Latin America. Following the Second World War, Britain accepted that Latin America was part of the US sphere of influence, and generally deferred to US political priorities in the region as a result. Britain tended to focus its energies in this period on the Commonwealth, and – particularly from the 1970s onwards – on European integration.

Latin America was thrust back into British popular consciousness in a wholly unwelcome fashion when Argentina invaded the Falkland Islands in 1982. Ironically, one consequence of the conflict that followed – as well as the debt crisis of the same time – was a renewed interest in Latin America among British officials. There followed in the late 1980s and early 1990s a further round of ministerial visits to the region and statements from Cabinet members (including by the Prime Minister John Major) promising to redress Britain's neglect of Latin America over previous decades. In practice, however, these aspirations amounted to little and Latin America's diminutive status was reinforced when the Labour government closed a number of diplomatic missions in the region throughout the 2000s.

At the same time, broader global trends at the opening of the twenty-first century tended towards greater British engagement with Latin America. The end of the Cold War saw a general shift in the global balance of power in favour of the global South. In response to this trend, Britain sought to re-orientate its foreign policy, including by strengthening relations with the two major emerging economies of Latin America – Mexico and Brazil. However, attention increasingly shifted to other parts of the world – most prominently the Middle East and North Africa, as the Blair government was increasingly consumed by the US-led “war on terror”. When the coalition government came to power in 2010, Latin America was therefore low on Britain's list of global priorities.



³ Trade figures sources from Leslie Bethell, “Britain and Latin America in Historical Perspective”, in Victor Bulmer-Thomas (ed.), *Britain and Latin America: a Changing Relationship* (Cambridge: Cambridge University Press, 1989), pp. 9-10.

The Canning Agenda

It was in this context that the new Foreign Secretary William Hague announced the latest attempt to rejuvenate Britain's standing in Latin America. In delivering Canning House's annual lecture of 2010, Hague promised that his government would "halt the decline in Britain's diplomatic presence in Latin America". "Britain's retreat from the region is over", Hague went on, "and it is now time for an advance to begin".⁴

Trade and Investment

The central element of the "Canning Agenda" launched by Hague has been an effort to increase British trade and investment with Latin America. The most visible element of these efforts have been the various trade missions despatched by the government to Latin America. Deputy Prime Minister Nick Clegg led one such mission to Mexico in 2011, and a further tour taking in Colombia, as well as Mexico again, in 2014. The government has also sought to capitalise on the economic liberalisation taking place in various countries throughout Latin America. The Chancellor of the Exchequer Philip Hammond led a trade mission to Argentina in August 2017, following the election of the pro-market President Macri. Reciprocal trade missions have also occurred between Britain and Cuba, in response to the economic reforms underway on the island.

British Foreign Secretary William Hague listens to Minister of Foreign Affairs of Brazil, Luiz Alberto Figueiredo Machado, during a news conference at the Foreign Ministry in Brasilia



Ueslei Marcelino/Reuters

Greatest effort has been expended on promoting economic ties with Brazil, the largest economy in Latin America. In 2015, the two governments established the UK-Brazil Economic and Financial Dialogue, a forum to facilitate cooperation on a range of matters, from trade infrastructure to financial services. Britain has established two new consulates in Brazil since 2010, in Recife and Belo Horizonte, to aid British business on the ground. Brazil has also been a recipient of British aid spending (along with Mexico and Colombia) in the form of the Prosperity Fund, a new funding stream launched in 2016 to promote economic reforms in developing countries of particular importance to British business. UK Trade and Investment (now the Department for International Trade) has also increased its funding to support British business in the region, as has UK Export Finance.

It is clear, then, that the British government has made substantial efforts to improve its economic performance in Latin America since 2010. In evaluating these efforts, there are notable successes. Speaking in 2015, the FCO Minister Hugo Swire was able to point to a 25 per cent growth in British exports to Latin America and the Caribbean in the three years following the announcement of the Canning Agenda.⁵ British trade with Colombia has risen sharply and is now worth more than £1 billion.⁶ British direct investment in Brazil more than doubled between 2010 and 2014 to a figure of £15 billion.⁷

However, this period also saw growth in trade between Latin America and other external powers. Relative to its competitors in the region, Britain's economic performance in Latin America is not nearly so impressive. Between 2010 and 2016, Britain's total share of the import market for goods in Latin America and the Caribbean actually declined marginally, from 1 per cent to 0.9 per cent (see table 1). This leaves Britain behind other European powers in Latin America, with

⁴ <https://www.gov.uk/government/speeches/britain-and-latin-america-historic-friends-future-partners>

⁵ <https://www.gov.uk/government/news/minister-of-state-speech-at-the-latin-america-investment-forum>

⁶ <http://www.ukpol.co.uk/liam-fox-2017-speech-in-bogota/>

⁷ <https://www.ons.gov.uk/economy/nationalaccounts/balanceofpayments/articles/uktradeandinvestmentwithsouthamerica/2016>



Table 1: UK percentage share of Latin American and Caribbean import markets¹⁰

	2010	2011	2012	2013	2014	2015	2016
Entire region	1.1	1.0	1.0	1.0	0.9	0.9	0.9
Brazil	1.7	1.5	1.6	1.5	1.4	1.6	1.7
Mexico	0.7	0.6	0.7	0.7	0.6	0.6	0.6
Argentina	0.9	0.9	0.9	0.8	0.8	0.9	0.9
Colombia	1.0	0.8	1.0	0.9	0.9	1.0	0.9
Chile	1.7	1.8	1.1	1.9	1.2	0.9	0.8

Table 2: Percentage share of UK global export markets¹¹

	2010	2011	2012	2013	2014	2015	2016
Latin America and Caribbean	2.0	2.6	3.3	2.1	1.9	2.0	1.9
Europe and Central Asia	60.5	61.5	56.9	60.5	58.5	54.8	56.0
North America	15.7	13.9	15.0	12.8	13.9	16.2	16.5
East Asia and Pacific	10.8	10.9	13.2	12.9	14.3	15.2	14.0
Middle East and North Africa	5.5	5.0	5.4	6.4	6.1	6.6	6.6
Sub-Saharan Africa	2.7	3.0	3.0	2.3	2.2	1.9	1.8
South Asia	1.8	2.1	1.8	1.7	1.5	1.6	1.4

Germany accounting for 4 per cent of the region's imports in 2016, and France 1.6 per cent. Britain's share of the goods export market in Latin America improved slightly between 2010 and 2016, rising from 1.1 per cent to 1.2 per cent. However, this compares with a 46 per cent share held by the United States, 9 per cent by China, 1.6 per cent by Germany and 0.8 per cent by France.

Despite the rhetoric of the Canning Agenda, Latin America's importance for Britain has not increased in relation to its other trading partners around the world. Latin America and the Caribbean constituted just 1.9 per cent of Britain's overall goods export destinations in 2016, down from a recent peak of 3.3 per cent in 2012. As a source of British imports, the region represented 1.6 per cent of the total in 2016, down from 2.3 per cent in 2010

(see table 2). Britain is generally stronger in the export of services, but here too Latin America lags behind other emerging markets in its importance for Britain.⁸ Latin America is a more significant destination for UK foreign direct investment, representing 10 per cent of the global total in 2015. However, this is still relatively small in comparison with other regions, such as the EU (40 per cent) and North America (32.5 per cent).⁹

It is clear, then, that while substantive efforts to improve Britain's economic standing in Latin America have met with some success, they have not made any significant difference to Britain's overall standing in the region comparative to its competitors, or to the importance of Latin America for Britain, relative to other parts of the world.

⁸ <https://www.ons.gov.uk/businessindustryandtrade/internationaltrade/bulletins/exportsandimportsstatisticsbycountryforuktradein-services/januarytomarch2018>

⁹ <https://www.ons.gov.uk/economy/nationalaccounts/balanceofpayments/articles/ukforeigndirectinvestmenttrendsandanalysis/summer2017>.

¹⁰ Figures sourced from the World Bank's World Integrated Trade Solution, <https://wits.worldbank.org/Default.aspx?lang=en>. Figures provided for the Latin America and Caribbean region as a whole and the five largest economies of the region by GDP (in descending order), as indicated by the IMF World Economic Outlook Database, Oct. 2017, <http://www.imf.org/external/pubs/ft/weo/2017/02/weodata/index.aspx>.

¹¹ Figures sourced from the World Bank's World Integrated Trade Solution, <https://wits.worldbank.org/Default.aspx?lang=en>.

Britain has been among the most vocal of European powers to condemn the actions of Venezuelan President, Nicolás Maduro



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Diplomacy and Political Relations

Closely tied to efforts to improve Britain's economic status in Latin America are attempts to enhance diplomatic and political relations between Britain and the countries of the region. In launching the Canning Agenda, the Coalition government recognised that previous British diplomacy had neglected Latin America. At the same time, the British government realised that Latin American countries were increasingly playing a greater role in international politics, and that political trends across the region towards democratisation and liberal economics favoured enhanced ties with Britain. The Canning Agenda therefore sought to redress this past diplomatic neglect.

The most obvious means by which this goal was pursued was by enhancing Britain's physical presence in Latin America with the re-opening of UK embassies in Paraguay and El Salvador, following their closure in the 2000s. The greater esteem in which Latin American countries were held was further displayed in the state visits granted to President Peña Nieto of Mexico in 2015 and President Santos of Colombia in 2016. Britain's support for Brazil's efforts to gain a permanent seat on the UN Security Council provide a more concrete example of a recognition of Latin America's importance in contemporary international politics.

In terms of the more troublesome political issues that Britain faces in Latin America, the dispute with Argentina over the sovereignty of the Falkland Islands continues to cast the longest shadow. Beyond inhibiting UK-Argentina relations, the Falklands dispute has the potential to disrupt diplomatic relations between Britain and Latin American countries more broadly. For a long time

under the Kirchner governments (2003-15), Argentina worked on ensuring that Latin American governments adopt a united front in favour of its claim to the Falklands in international and regional forums. This strategy met with some success, for example when Latin American states backed Argentina's stance on the Falklands on the UN decolonization committee in June 2016.

More generally, however, Latin American countries (Brazil, in particular) have sought not to let their public support for Argentina's position on the Falklands impede relations with Britain in private. Moreover, there are clear indications from Argentina that the new government does not wish to define relations with Britain solely in the context of the Falklands dispute in the way that its predecessors did. The rapprochement in UK-Argentina relations was apparent in the joint communique announcing enhanced cooperation between the two countries in September 2016, and more recently, when Boris Johnson laid a wreath to commemorate those who died in the Falklands war during his trip to Buenos Aires in May 2018.¹² However, there has been no formal change in Argentina's stance on the Falklands (indeed, its claim to sovereignty is written into the country's constitution), and a return to a more hostile attitude towards Britain under a new administration is always a possibility.

A more recent source of contention in Britain's relations with Latin America came in the unexpected form of the WikiLeaks founder Julian Assange, since he took up residence in the Ecuadorian embassy in London in the summer of 2012. Ecuador granted Assange political asylum when he was subject to an extradition request by Sweden on charges of rape. Following the election of President Moreno in April 2017, and the dropping of the charges against Assange by the Swedish court, Ecuador has attempted various means to reach an agreement with Britain to secure his release from the embassy. This has improved relations between the two countries, with both now working towards the same outcome. However, these efforts have so far failed to end to the impasse, and the issue remains a potential source of tension in UK-Ecuador relations.

Of potentially greater significance is the breakdown in relations between Britain and Venezuela in the wake of growing political instability in that country. Long a critic of political developments in Venezuela since the

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¹² <https://www.gov.uk/government/publications/communique-between-argentina-and-the-united-kingdom/uk-and-argentina-joint-communiqué>.

election of the socialist leader Hugo Chávez in 1998, Britain has been among the most vocal of European powers in condemning the actions of his successor Nicolás Maduro. In August 2017 then Foreign Secretary Boris Johnson took to Twitter to denounce Maduro for “acting like a dictator of an evil regime”.¹³ More concretely, the UK has joined with other EU states in placing sanctions on the Venezuelan government, along with the United States and others.

These issues of contention notwithstanding, Britain's efforts to enhance diplomatic relations with Latin American states have certainly achieved some success, with Latin American governments acknowledging and welcoming greater British engagement with the region. The politics of Latin America, however, remain volatile, as demonstrated by Bolsonaro's recent election victory in Brazil. Britain therefore confronts a complex picture when seeking to enhance its diplomatic standing in the region.

Soft Power

Referring to Latin America's “contribution to global culture, sport, and the arts”,¹⁴ then Foreign Secretary William Hague was more than aware of the importance of soft power in Britain's relationship with Latin America. Soft power is a multifaceted concept but broadly defined as the “power of attraction” and can be best understood as a contrast to the hard, physical, aspects of foreign policy such as trade and security.

Soft power is notoriously hard to measure, and whilst there exist indices such as *Portland's Soft Power 30*¹⁵ that rank a country's overall soft power, the power of attraction between two countries is not always easy to define. In the context of the UK and Latin America, discussions about soft power often are limited to the historical ties that have helped build a positive image of the UK over the years. Unlike in relation to other parts of the world, UK's colonial past is not a particularly prominent modern-day obstacle to positive bi-lateral relations in Latin America, and there are prominent examples of historically

positive UK influence in the region such as the Welsh connections in Patagonia or the British-built railways in Argentina.

These positive examples have often been over-relied upon by foreign secretaries and others when making the case for a strong UK soft power region. These historical connections are of course a valuable part of modern-day relations but taking into account the changing nature of the world and the countries involved since many of these examples were current, they are only valuable when looked at in conjunction with examples from the present.

There is fortunately more recent data that provides an insight into what the UK thinks of Latin America and vice versa. This data can be found in the British Council's recent report “From the Outside In”,¹⁶ which included extensive polling before and after the Brexit referendum looking at the opinions of 18-35 year olds from G20 countries towards other G20 countries.

The data for three Latin American countries, Argentina, Mexico, and Brazil, reveals three of the key insights into the perception and attractiveness between the UK and Latin America:

- a The UK remains one of the most attractive countries, when looking at all major indices, for Latin America. This is particularly the case for Mexico.
- b This attractiveness is not reciprocal, with people in the UK viewing Latin America in relative terms more negatively than most other G20 countries. Brazil fares slightly better across most indices but still has overall low figures.
- c The current impacts of Brexit are negligible to UK soft power in relation to Latin America.

There have been major recent projects, across different cultural and sporting domains, which have played an important part in building and maintaining Britain's positive image in Latin America, as well as leading to other tangible positive effects. These are often carried out through government departments other than the FCO, or government funded organisations. The Ministry of Education

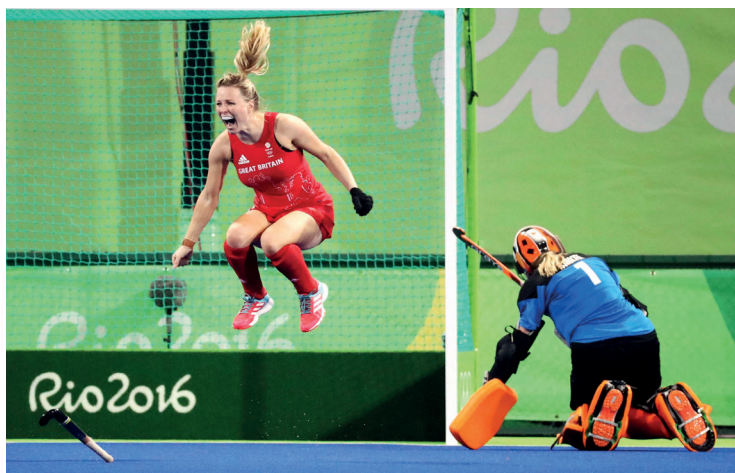
¹³ <https://twitter.com/borisjohnson/status/892428710934175746?lang=en>.

¹⁴ <https://www.gov.uk/government/speeches/britain-and-latin-america-historic-friends-future-partners>

¹⁵ <https://softpower30.com/>

¹⁶ British Council, “From the Outside In: G20 Views of the UK Before and After the EU Referendum” (July 2017). Using data from the research underlying the report and are reproducing with thanks to the British Council.





GB Women win Olympic hockey gold at Rio 2016

and the British Council recently launched a “Computer Coding” programme in Chile, with the British Council also leading on a project to empower girls in Chile, Colombia and Peru through digital literacy and computer coding, the “Girl Power Codefest Americas”.¹⁷ The Department for Business, Energy, and Industrial Strategy is also providing £177m for a Sustainable Infrastructure Programme to encourage carbon reduction in 4 Latin American Countries,¹⁸ whilst UK development spending also helps fund the Latin American Biodiversity Programme, a multilateral and transnational approach to researching how to manage environments and sustainable development.¹⁹ There are many more projects such as these, either led or supported by the UK government, which support the upholding of global goals and UK values, all whilst contributing to the UK’s soft power.

Perhaps the most visible success story of the past few years in this field has been through major sporting events. The 2012 Olympics were a strong reminder to the world of the talent and know-how of the UK towards hosting major sporting and cultural events, backed up in 2014 by the Commonwealth Games in Glasgow. In subsequent years, Latin America was to host some of the biggest sporting events of the past few years, notably the 2014 football World Cup in Brazil and the 2016 Rio Olympics, as well as the upcoming Pan-American games in Lima. These have created an opportunity for the UK to share its expertise through providing assistance in these large-scale events. Positive perceptions built through the 2012 Olympics have allowed the UK to achieve tangible benefits in terms of contracts in assisting with these events, in turn further enhancing its positive presence in this sector. One example is the London-

based engineering and design firm Arup successfully obtaining a contract to be part of the delivery team for the 2019 Pan-American Games, with its experience at London 2012, and Glasgow 2014 no doubt part of that successful bid. Expertise in itself is of course the most essential component for success, but the less tangible outcomes that come from hosting a successful Olympics, and even the indirect impact of the success of the GB athletes themselves, all contribute towards this current achievement.

The UK has clearly worked hard on many fronts to continue to build and maintain a positive perception of itself in Latin America in recent years. This significant progress helps provide the necessary goodwill and links across all levels of society which can in turn make the tangible, measurable, economic and security gains easier to achieve.

The one major challenge on this front that remains is that of reciprocity; without equal positive sentiment in the UK towards Latin America, it is unlikely that the UK will fully exploit the potential of these relationships. Whilst this remains a task primarily for the Latin American countries themselves, there is more the UK could be doing too.

Security and Defence

The UK’s relationship with Latin America presents a different set of defence and security priorities to those of the UK with other parts of the world. Despite the absence of nuclear weapons and the relatively low terrorist threat to the UK from the region, there are other unique challenges, in particular around transnational organised crime, peacekeeping, and the illegal drug trade.

The immediate years after 2010 showed signs of increased UK-Latin America engagement around security matters. Then Foreign Secretary William Hague’s 2010 speech announced the creation of the National Security Council sub-committee on Emerging Powers, with an aim to address these issues.

In Colombia, the UK has stated it has an “important national interest in the security and prosperity”²⁰ of the country and has subsequently carried out lots of work, both unilaterally and through organisations such as the UN, to tackle some of the major threats faced there. Part of the peacekeeping



¹⁷ <https://www.gov.uk/government/news/uk-chile-joint-statement-santiago-23-may-2018>

¹⁸ <https://www.gov.uk/government/news/foreign-secretary-arrives-in-peru-for-first-visit-of-a-british-foreign-secretary-in-over-50-years-2>

¹⁹ <https://nerc.ukri.org/research/funded/programmes/latam/>

²⁰ <https://www.gov.uk/government/news/uk-to-welcome-president-santos-for-colombia-state-visit>

efforts following the peace deal between the Colombian Government and the FARC (Revolutionary Armed Forces of Colombia) have required independent work – which is where the UN has stepped in. One example is the UN verification mission in Colombia, which verifies that both sides are keeping to different aspects of the peace deal.²¹ The National Crime Agency (NCA) also “works with a number of Colombian departments, including the national police and the office of the attorney general... to reduce the threat to the UK from the cocaine trade as well as money laundering and other organised crime”.²²

Brazil is another of the UK’s key security partners, with 2010 seeing the signing by both countries of an Agreement on Defence Cooperation, with a focus on “fields of research and development, logistics support, technology security, and acquisition of defence products and services”.²³ A more recent example is the UK selling HMS Ocean to Brazil earlier in 2018.²⁴ In 2012, a joint communique between the two countries’ foreign secretaries provided an overview of areas in which the two countries would assist each other towards attaining mutual foreign policy goals, including a two-state solution for the Israel-Palestine conflict, and the non-proliferation of nuclear weapons.²⁵ This partnership has been growing but will face new challenges after the recent election of Bolsonaro as Brazil’s new president, with his commitment to move the Brazilian embassy in Israel to Jerusalem just one example of

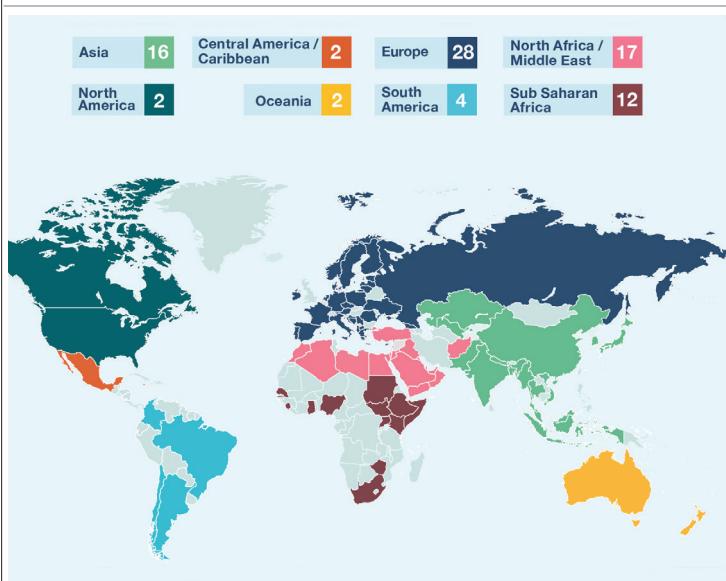
some of the thornier issues this relationship could face going forward.

The importance of Latin America within UK security priorities can also be assessed through an analysis of the major security and defence strategy papers published by the UK government over the last 8 years and the extent to which they refer to Latin America. These include the Security and Defence Strategy Review (SDSR), the National Security Strategy (NSS) and the National Security and Capability Review (NSCR).

2009 marked the first BRIC (Brazil, Russia, India, China) summit, a visible sign of the importance of these emerging powers and the global interest that was accompanying their growth. In the context of this geopolitical backdrop, the 2010 security policy papers released had a focus on building a “political and security dialogue with emerging powers”.²⁶ In terms of Latin America, however, reference was made to Brazil and little else. Select quotes talk about emphasis on relations with emerging powers and fast-growing economies, but aside from the growing importance of UK engagement with Brazil, Latin America is not a focus in these strategic documents.

The 2015 NSS and SDSR provide many more references, and much more detail, into the UK’s then present and future security relationship with the region. Indications are given of which countries are a priority, Brazil and Mexico featuring the most heavily, with notable mentions in the reports to Chile, Peru, and Colombia too. Resilience is another important area for security collaboration and investment. Through assisting and investing in infrastructure, health, and disaster resilience, the UK is helping to ensure stability in the region. This is particularly crucial in the Caribbean, which is prone to natural disasters. Some of the specific measures include investing “£300 million in infrastructure and launching a new UK-Caribbean Infrastructure

UK Defence in Numbers 2018



Source: MoD

²¹ <https://colombia.unmissions.org/en/about>

²² <https://www.bbc.co.uk/news/world-latin-america-37826823>

²³ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/238132/8198.pdf

²⁴ <https://www.gov.uk/government/news/uk-agrees-sale-of-hms-ocean-to-brazil>

²⁵ <https://www.gov.uk/government/news/uk-and-brazil-commit-to-developing-enhanced-foreign-policy-relationship>

²⁶ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/62482/strategic-defence-security-review.pdf



UK Overseas Territories

The UK's Overseas Territories in Latin America give the UK a unique window to the region. The UK is responsible for foreign and defence affairs of its Overseas Territories, which, in the Latin America region, can be divided into two main areas, the Caribbean and the South Atlantic. In the Caribbean, the UK works to tackle a range of transnational crimes, from money laundering to illegal fishing, but perhaps most importantly, counter narcotics. The MOD paper on Overseas Territories 2012-2015 gives an overview of some of the key work it carries out alongside the SOCA (Serious Organised Crime Agency), and now the National Crime Agency (NCA). It includes ["targeting drugs as they leave their production zones and pass through transit countries on their way to the UK"](#), for which the Caribbean is an important transit zone.

Then there is the Falklands, where there has been a visible effort from all sides to move on from the armed conflict between the UK and Argentina in



Britain's then Foreign Secretary Boris Johnson pays homage to Argentine soldiers who died in the 1982 Falklands War at the memorial dedicated to them in downtown Buenos Aires, Argentina, May 20, 2018

1982. [Boris Johnson in his recent visit to Argentina laid a wreath to commemorate those who died on both sides.](#) Argentina's constitution still holds claim, and the UK still have a military deterrence in place, but the underlying tensions are much reduced. The risk of military attack was judged as low in the 2015 SDSR, but a deterrence posture including Royal Navy warships, Army units, and RAF Typhoon aircraft remain in place, with a commitment of up to £300 million between 2015-2025.

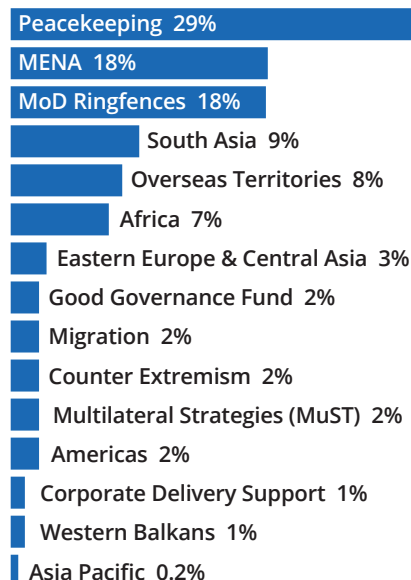
The UK is at a stage where, deterrence aside, it can look at building security ties through diplomacy and cultural and sporting engagement, with the aim of collaboration rather than confrontation. The Royal Navy's [assistance in the search for a missing Argentine submarine in 2017](#) is a prime example of this, but the inflammatory rhetoric from parts of the Argentine public in response to this event show some of the work that still needs to be done in order to fully achieve this.

²⁷ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/478933/52309_Cm_9161_NSS_SD_Review_web_only.pdf

²⁸ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/727383/CSSF_Annual_Report_2017_to_2018.pdf

²⁹ <https://www.institute.forgovernment.org.uk/publication/whitehall-monitor/whitehall-explained/cabinet-committees>

Total 2017/18 CSSF Spend by Region, Cross-Regional and Non-Discretionary Theme²⁸



Above: The Conflict, Stability, and Security Fund (CSSF) also provides an indication of the money that the UK is spending today to secure security and stability in the region. Peacekeeping is the most heavily subsidised area, the budget for which is being partly spent in Colombia. Overseas Territories also feature heavily, so despite "Americas" having only 2 % of spend, this chart shows that the UK has been active in these areas.

Partnership" and "£30 million to help ensure that hospitals remain operational when natural disasters strike".²⁷

Despite this welcome increase in detail in the 2015 NSS and SDSR, in relative terms, there has been little significant change. Latin America still featured last in the list of different regional focuses, and in the 2018 NSCR Latin America gets one line at the bottom of the list of regions of the world, all of which is a telling sign of the relative lack of importance given to Latin America in the UK. One of the flagship measures from Hague's "launch" of the Canning Agenda was the NSC setting up a Committee on Emerging Powers, as one of the forums for security co-operation in the region to be discussed. This sub-committee lasted 4 years, and since 2014 has ceased to exist²⁹ – a telling sign of the difficulty the UK has faced in recent times when promoting UK-Latin America engagement. The UK has continued to engage with Latin America since 2010, but there is little indication the Canning Agenda led to significant shift in this engagement.



Impact of Brexit on UK-Latin America relations

The referendum vote to leave the European Union signalled an important shake up in British politics. Questions remain around what these changes will mean for the UK's foreign policy and whether they will lead to substantial changes to the UK's priorities. For many countries outside of Europe, Brexit is not seen as a priority issue. If anything, they see it as an opportunity for greater engagement with the UK. So what changes is Brexit likely to bring about in UK-Latin America relations?

Before even assessing the substance of the potential impacts of Brexit on UK-Latin America engagement, there is one very clear downside. In the short term, the bandwidth and resources that the UK has for aspects of its foreign policy beyond the Brexit negotiations and future relationship with Europe are limited. Whilst Brexit may open up future possibilities of increased trade, or further engagement as part of "Global Britain", the UK currently finds itself incredibly preoccupied with the Brexit negotiations. This, alongside general decline in the FCO's budget over recent years, makes

“Whilst Brexit may open up future possibilities of increased trade, or further engagement as part of “Global Britain”, the UK currently finds itself incredibly preoccupied with the Brexit negotiations

”

it harder for any potential significant changes to be carried out, at least in the short term.

Depending on the nature of the final Brexit deal, the UK may have the capability to negotiate its own free trade deals. Countries across Latin America have expressed interest in these potential new trading opportunities. Given the widely predicted decrease in UK trade with the EU post-Brexit, the UK will be looking to make up part of that trading volume with other regions and countries across the world.

Aside from trade, many are watching to see what other effects Brexit will have on the UK's foreign policy priorities. The departure from the European Union could prove a moment for the UK to reimagine its role in the world, decide what it wants to achieve from its foreign policy, and act accordingly. For the time being though, the UK is employing a rhetoric of globalism, through its "Global Britain" strapline, but there appears to be little policy substance behind this for now. There has been no change in regional priorities for the FCO, and definitely not a promotion of Latin America to high-priority.³⁰ But the region has not been ignored. In May 2018, then foreign secretary Boris Johnson visited the region, the first time in 25 years a UK foreign secretary had been to Argentina and first in 50 years to visit Peru, with both sides speaking positively about future engagement.

There have not been many signs to suggest Latin America will take on a significantly higher importance for the UK post-Brexit but, because Brexit is undeniably a catalyst for change, there is a renewed, if somewhat cautious, optimism about the UK's ambition to be truly global. A truly global Britain will have to engage more with the rest of the world, even with countries and regions that may not be of the highest priority. The potential for greater engagement is there to be seized, the question then becomes how.

³⁰ <http://data.parliament.uk/writtenevidence/committeeevidence.svc/evidencedocument/foreign-affairs-committee/fco-budget-and-capacity-and-annual-report-201617/oral/73792.html>





Advertisement for Mexican tourism at London Charing Cross train station, September 2017

Policy Recommendations

1. Address the Gap in Attractiveness between the UK and Latin America.

From the data behind the British Council report "From the Outside In",³¹ we can observe that for the 3 Latin American G20 countries, Brazil, Mexico, and Argentina, the UK is viewed as a highly attractive country, when taking into account a series of indices ranging from education and trade to trust and values. However, the UK in turn views these countries as significantly less attractive when taking into account the same indices.

When rating how attractively they viewed these countries, there was a gap of 18% for Brazil, 31% for Argentina, and 34% for Mexico, with a similar contrast observable when looking at negative perceptions. Whilst there will be a number of reasons beyond the UK's control for this, there is likely to also be a lack of awareness of the opportunities these countries represent for the UK. There is a significant challenge for the Latin American countries to work on promoting themselves in the UK and elsewhere in order to tackle this imbalance. Argentina making it back into 30th place in *Portland's Soft Power 30* is a sign of the work being done on that front.

With the UK working hard on promoting itself internationally through the GREAT campaign and other soft power initiatives which have to date delivered real results, there is also a case to be made for focussing some of

that effort in working with Latin American countries to help promote the positive elements they can bring to people in the UK. This statement can seem controversial at first sight, for it would entail using public money to promote another country, yet the benefits could be significant for the UK. By narrowing the attractiveness gap, the UK can promote the opportunities available for the UK in the region, which could in turn boost our trade and cultural engagement. It is clear from the high attractiveness the UK has in relation to these countries that there is a willingness to engage, the trick is getting people in the UK to take up the opportunity.

2. Make Greater Use of UK Overseas Territories to Promote UK-Latin America Ties

In the UK government's own words "The UK's Overseas Territories in Latin America give the UK a unique window to the region". But is enough being done to make the most of this unique window? Beyond the defence and security work carried out in conjunction with the UK's Overseas Territories, there remain other potential sources of innovative policy.

One of the major reasons why the FCO has been reticent to use the OTs in a more active manner has been around resources. These territories, often small in population, are, as a consequence, often limited in their capacity. The current model of governance has the UK responsible for the external relations of the Overseas Territories, but there is scope for the Territories themselves to take on a bigger role, supported by the UK. The 2012 FCO report on the Overseas Territories³² gives an interesting view of one way this relationship could work, as it examines how to build relationships between the OTs and different international organisations, notably the EU and the Commonwealth. Our exit from the EU puts the brakes on that option somewhat, but, looking at the validity of the arguments made there concerning the role of the OTs in the international community, there is a case for the Caribbean Overseas Territories, and to a lesser extent the Falkland Islands, to engage more with Latin American countries or organisations such as the South American trade bloc, Mercosur. The UK could help achieve this through increased staffing and resources in the Governor's

³¹ British Council, "From the Outside In: G20 Views of the UK Before and After the EU Referendum" (July 2017). Using data from the research underlying the report and are reproducing with thanks to the British Council.

³² https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/32952/ot-wp-0612.pdf





Goose Green,
Falkland Islands

offices to further engage constructively with local governments on foreign policy issues. Just as the EU and the Commonwealth might have been appropriate focal points in 2012, with the current climate around Europe, and the vast opportunities present in Latin America, there is a possibility for the OTs to play a greater role to their benefit and that of the UK as a whole.

3. Engage UK Regions to Promote Stronger UK-Latin America Ties

One way to ensure Britain's relationship with Latin America achieves its full potential is to draw on all regions of the UK, avoiding a narrow focus on London and the Southeast, when seeking to build ties. This approach is apparent in a recent KPMG report on the Northern Powerhouse and the Latin America trade corridor. Focusing particularly on the mining, healthcare and food and drink sectors in the larger economies of Brazil, Mexico and Chile, this report makes a strong case for a complementarity of economic interests between Latin America and the North of England. As the report summarises: "UK expertise in machinery, technology and services represent great export opportunities to Latin America. These are sectors in which the North of England is a market leader".³³

Looking beyond economic ties, there is also scope to enhance political and strategic engagement between the UK and Latin America by drawing on the particular strengths of different parts of the UK. As noted above, one area where strategic cooperation has developed is in relations between Britain and Colombia concerning the latter's peacekeeping and conflict resolution efforts. This cooperation has included the involvement of figures from Northern Ireland

with experience of the peace process there, as reflected when President Santos paid a visit to Belfast during his state visit to the UK in 2016.³⁴ This experience should be built upon to broaden Northern Ireland's expertise in conflict resolution and apply it, where possible, elsewhere in Latin America (possibly in Venezuela as the political crises unfolds in that country). Equally, Scotland Minister David Mundell's recent visit to Paraguay and Argentina highlights some of the unique partnerships between Scotland and these countries, an area which the UK can build on and continue to promote.³⁵

A final way to fully engage UK regions in the country's relationship with Latin America is for government to draw on the higher education sector and more actively promote partnerships between UK universities throughout the country with their Latin American counterparts. UK universities are consistently ranked among the best in the world³⁶ and are attractive, both as destinations for overseas students from Latin America, and as research partners for Latin American institutions. There are several UK universities outside London and the Southeast that have long traditions of expertise in Latin American studies (including in Manchester, Essex, Newcastle and Glasgow). Since the launch of the Canning Agenda there have been programmes aimed at enhancing educational links between Britain and Latin America, such as the Science Without Borders³⁷ programme initiated by the Brazilian government in 2015, and through more established schemes like the UK government's Chevening Programme. However, the Science Without Borders programme has since lapsed and numbers of students coming to study in the UK from Latin America remains fairly small.³⁸ In part, efforts to enhance UK-Latin America educational links are constrained by broader policies such as restrictions on student visas, but there is certainly scope within these

³³ KPMG, "The Northern Powerhouse and Latin America Trade Corridor" (2018).

³⁴ <http://www.irishnews.com/news/northernirelandnews/2016/11/03/news/colombian-president-santos-welcomed-to-stormont-768538/>.

³⁵ <https://twitter.com/scotsecofstatestatus/909028643296473088>

³⁶ <https://www.topuniversities.com/university-rankings/world-university-rankings/2019>

³⁷ <http://www.cienciasemfronteiras.gov.br/web/csf-eng/faq>

³⁸ No Latin American country features in the top twenty countries of student origin for international students in the UK. See Universities UK International, International Facts and Figures, May 2017.

parameters for government actively promote these links, particularly by drawing on the expertise and enthusiasm for Latin America in universities throughout the UK.

4. Ensure the Coordination of UK Policy Towards Latin America Across Whitehall

A common complaint from business, academia and elsewhere regarding British policy towards Latin America over recent decades has been the lack of coordination between different government departments. In a wide-ranging review of Britain's relations with Latin America published in the late 1980s, Victor Bulmer-Thomas commented that "while all governments suffer from... inter-departmental rivalries and inconsistencies... they become particularly acute when there is no overall regional strategy".³⁹ The Canning Agenda announced by William Hague in 2010 was intended to provide that overarching strategy towards Latin America. It is possibly too early to judge the success of the Canning Agenda in providing strategic coherence to Britain's relations with Latin America, but there are signs of greater coordination between Whitehall departments when it comes to formulating policy towards the region.

This can be seen in the new approach to international aid embodied in the Prosperity Fund. Announced as part of the 2015 Strategic Defence and Security Review, the Prosperity Fund is described as "a cross-government Fund that aims to reduce poverty through inclusive economic growth". It is aimed specifically at countries deemed to be of particular strategic importance to Britain and is governed by a ministerial board with representation from across Whitehall. While the bulk of the target countries are located in Asia (followed by Africa and the Middle East), Brazil, Mexico and Colombia are also recipients of the Prosperity Fund. Recent work by the FCO on an Africa strategy with cross-departmental input, or indeed for a soft power strategy, are also positive signs for similar future work around Latin America⁴⁰. The appointment in April 2018 of a Trade Commissioner for Latin America by the Department for International Trade is also a welcome step to coordinate Britain's economic ambitions in Latin America with its broader foreign policy goals.⁴¹

Signs of inconsistency and mixed messages are still discernible, however. As noted above, the focus on Latin America under the rubric of a Committee on Emerging Powers within the National Security Council was

not maintained beyond 2014. Similarly, the revelation by the FCO in December 2017 of plans to reallocate resources from missions in Africa, Asia and the Americas in order to create new posts in European embassies threw into question the government's commitment to strengthening relations with emerging powers like those in Latin America. The subsequent announcement in March 2018 of 250 new diplomatic posts aimed at achieving the Global Britain strategy went some way towards redressing the negative impression previously created. But collectively these mixed messages suggest a lack of coordination in pursuing Britain's global ambitions post-Brexit. If the Canning Agenda is to provide a strategic coherence to UK policy towards Latin America, coordination between government departments needs to be maintained and nurtured.

Conclusion

It is clear from the above that, following a sustained period of decline, changes in the international milieu since the end of the Cold War, and Britain's position within it, have opened up opportunities for greater engagement between the UK and Latin America. It was in this context that the Canning Agenda of 2010 sought to reboot the relationship. This effort has met with some success but Britain's overall standing in Latin America has not been fundamentally altered. As Britain enters the post-Brexit era, it will face both challenges and opportunities, among the latter the possibility of enhancing relationships with those countries in the world likely to be increasing in economic and political importance. Latin America falls firmly within this category and if Britain is to achieve its stated ambition of global engagement, it must use all the tools in its armoury to strengthen its relations with the countries of that region. This paper put forward some tentative policies that might achieve this goal.

³⁹ Victor Bulmer-Thomas, "British relations with Latin America into the 1990s", in Bulmer-Thomas (ed.), *Britain and Latin America*, p. 216.

⁴⁰ <https://bfpg.co.uk/2018/08/why-theresa-mays-upcoming-africa-trip-may-signal-changes-in-uk-foreign-policy/>

⁴¹ <https://www.gov.uk/government/news/new-hm-trade-commissioners-announced>