



CLOSER THAN YOU THINK: AUSTRALIA AND LATIN AMERICA

AUSTRALIA LATAM EMERGING LEADERS DIALOGUE

Strengthening relations between Australia and
Latin America.

Fortaleciendo relaciones entre Australia y
América Latina.

BUENOS AIRES MEETING

On 19 November 2019, at the residence of Australia's Ambassador to Argentina, 13 emerging leaders from Australia and Argentina gathered to learn from each other about how the future of their regions will be defined.

The Australia Latam Emerging Leaders Dialogue's 'Buenos Aires Meeting' was the first time such a conversation has taken place. The next generation of leaders from startups and industry, government and politics, and sustainability and the environment dedicated a day to deep dive into the divergences and convergences, and the challenges and opportunities, that exist between these regions.

The relationship between Australia and Latin America is nascent. Historically, Latin American countries have not been a strategic priority for Australia. Likewise, Australia until recently has not featured heavily in among the priorities of Latin American countries.

It is easy to understand why.

For every reason Australia has pursued closer relations with Asia, Australia has not pursued relations with Latin America as a priority.



Asian countries in the Indo-Pacific are broadly in the same time zone as Australia, they have large populations, and are connected by frequent, direct flights. Asia is home to some of the fastest growing economies in the world, including Vietnam, Indonesia, and India. There is a proliferation of English language as well as shared colonial history, making travel and business simpler than ever before.

Countries in Latin America, however, are on the opposite time zone to Australia. Those countries in the South American side of Latin America are poorly connected with only one direct flight route on one airline via Chile. While Brazil is the standout economy in Latin America, many countries in the region are often in crisis with negative economic growth. Recent political unrest in Latin America has unsettled even the most stable of countries, including Chile, which has acted as a model for stability in the region.

There is also a real language barrier, as few Australians take Spanish or Portuguese language training and English is not as prolific as it is in Asia.

Yet, despite these differences, there are many other reasons why these regions are similar and share strategic objectives that are often not fully recognised. Latin American countries non-intra region trade export markets are like Australia's (China, the US, Korea, Japan), as are the industries that dominate this trade mix (resources, agriculture, food and beverage). Three Latin American countries are in the G20; Mexico, Brazil, and Argentina. Two Latin American countries are in the Asia Pacific Economic Cooperation (APEC); Chile and Peru. Australia has bilateral free trade agreements with Chile (ACI-FTA) and Peru (PAFTA), and multilateral trade arrangements with Chile, Mexico and Peru through the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP). International students to Australia from South American countries (in particular) have quadrupled in recent years.

As middle power countries that rely on multilateralism and a rules-based system, Latin American countries share similar concerns and objectives in an increasingly disruptive global order. This means there is an opportunity for the regions to work together to create shared frameworks to manage shared problems.

It is for these optimistic reasons that the Australia Latam Emerging Leaders Dialogue was established; we identified a genuine opportunity to build upon a nascent but an important relationship.



It is an exciting time for relations between the regions and there are several reasons why the relationship is at an inflection point.

Firstly, the Buenos Aires Meeting in Argentina established that there is significant interest among the next generation of leaders in building a strong relationship with Australia.

Secondly, there is an increasing number of Latin America strategies in Australian universities and state governments as they attempt to diversify away from Northeast Asia dominated commodities and education economic relationship.

Thirdly, Australia will play in Copa America 2020, the oldest intra-regional football tournament in the world. This is a once in a generation opportunity for Australia to more deeply

understand not only Argentina, but the entire South America region.

This report has two objectives. The first is to present a set of high-level recommendations that would underpin a stronger relationship between Australia and Latin America. The second is to provide a record of the key discussion points from the Buenos Aires Meeting.

RECOMMENDATIONS

There are four key recommendations that would provide a basis for strengthening relations between Latin America and Australia. We recognise that implementing these recommendations is ambitious and will take time, investment, and vision.

1. Improve connectivity between Australia and Latin America. there is case for direct flights between Perth and Buenos Aires, and direct flights from major east coast cities to Buenos Aires. These flights have the potential to connect South American countries to Southeast Asian countries.
2. Promote Spanish language training in Australia as the third most spoken language in the world and critical for working with many Latin American countries.
3. Increase funding and to promote track I.5 and track II dialogue between Australia and Latin America.
4. Establish a centre for Australia-Latin American relations to conduct research, policy analysis, provide advocacy, and facilitate dialogue between the regions.

STARTUPS & THE ECONOMY

Session One

Chair: Borja Martel Seward

The first session of the Buenos Aires Meeting focused on startups and the economy. Through crisis comes opportunity, and entrepreneurs in Latin American countries are attuned to solving a problem through business. This entrepreneurial culture driven by crisis is in contrast to Australia's almost 30 years of uninterrupted economic growth. Despite this, Australia and Latin American countries both face similar challenges and opportunities with the changing nature of work, innovation culture, and the role of government in enabling innovation and entrepreneurship.

Changing nature of work

- Technology, automation, and digitisation are changing the nature of work in both Latin American countries and Australia.
- Responses to these labour market changes are challenging for government and business.
- Government is challenged by slow to change policy environment that is based on systems of work that are now outdated.



- Politicians are challenged by the changing nature of work as constituents are rightly concerned about change and what this means for the current and future employability.
- The changing nature of work demands that education systems to adapt what students learn at all stages of schooling.
- There is a demand for technical skills including coding and programming, and soft skills including innovation and creativity.

The role of government in startups and entrepreneurship.

- Innovation in Argentina and Australia is politically unpopular. Both regions can point to examples of political leadership in entrepreneurship and innovation that has retreated from the fore following its unpopularity.



- There are examples of where governments are promoting and funding innovation and entrepreneurship programs, but these tend to be limited in scope. Startup Chile and LaunchVic are examples of where this is effective.

Innovation culture

- There is a need in both regions to nurture a culture of innovation, delegates pointed out that innovation will happen anyway, and it cannot be stopped.
- Both Latin American countries and Australia have a perceived low appetite for risk and failure. Changing this perception is a key priority for both regions in terms of entrepreneurship.
- If failure is a part of innovation, then it is not within the government's interest to pursue innovation as they cannot fail.

GOVERNANCE & INSTITUTIONS

Session Two

Chair: Facundo Cajén

The second session of the Buenos Aires Meeting focused on governance and institutions. Australia and Latin American countries presently are in different places when it comes to governance and institutions. In recent time, there has been significant disruption through political protest and allegations of corruption among Latin American countries. Australia may not have had a Prime Minister finish a single term since 2007, however there is greater trust of the institutions that underpin political instability. However, this was not always the case, and there are new frontiers where both regions should collaborate to establish new rules and norms in a disruptive geopolitical environment. Managing corruption, digital rules of the road, and managing major powers dominated this session.

Corruption

- Australia and Argentina have similar systems in order to manage corruption, however there is a perception that these systems and processes are not implemented in Argentina.



- There are data-driven solutions and artificial intelligence possibilities that can provide a solution to corruption. Argentina has implemented artificial intelligence program PROMETEA to manage corruption in procurement of public contracts.

Cryptocurrency and blockchain governance

- Cryptocurrency governance is a new area for legislation and regulation in both regions. There are questions about whether cryptocurrency should be legislated, given the intent was to work around central banks and governance.
- There are few digital rules of the road with little multilateral discussion about what these should be and how these should be governed.



- There are significant opportunities in blockchain to manage integrity of supply chains including digital and crypto currency.

Major power relations

- There are questions about China's increasing presence and influence in Latin American countries.
- Australia is a top recipient of China's overseas direct investment and Latin American countries should have the opportunity to benefit from this as well.
- Investment from China whether through Belt and Road Initiative or otherwise requires a legislative environment that means investment is transparent and manageable in terms of repayments.



- **Australia not immune to interference and is still navigating its way through legislative change while managing its trade relationship with China and security arrangements with the United States, especially during the US-China Trade War.**
- **Public opinion of the United States in both regions is on the decline, and there may be more trust in China.**
- **Argentine Congress has consensus on two issues – China and the Malvinas.**
- **A coordinated strategy of managing China is a significant opportunity for Australia and Argentina.**

ENVIRONMENT & SUSTAINABILITY

Session Three

Chair: Ximena Michemberg

The third session of the dialogue focused on the environment and sustainability. As our natural surroundings and the international youth movement is showing, the environment is on the edge. The IPCC reports establish that human activities are threatening the planetary boundaries, pushing species into extinction, polluting the water, the land, the air, acidifying oceans and changing the natural balance of the earth, where now global warming and climate change are the trending topics. Economic growth without jeopardizing the environment and climate adaptation are critical areas for collaboration, as they are global challenges that need local solutions. Finding synergies to these challenges, as well as the importance of education, was the focus in this session.

Climate action for agriculture

- Urgent solutions are required for managing climate adaptation and mitigation for the agriculture sector.
- Global demand for food is directly impacting Argentina and Australia agriculture sector.



- Deforestation is the key challenge in Latin American countries. The region could have the potential to become a carbon stocking country. In Argentina, the national law for native forests establishes a coding system administered at provincial level. The concept of the legislation is: if the provinces protect their forest, they would receive a payment for each hectare that was not deforested. However, the implementation needs to be strengthened since the localised code changes allowing deforestation from one province to another in the shared forests.
- Nature based adaptation important for the agriculture sector. Ecosystem based adaptation is defined as the integrated use of biodiversity and ecosystem services as part of a strategy that helps people adapt to the adverse effects of climate change.



The scope of the approach focuses on reducing vulnerability and increasing ecosystems and populations resilience, taking advantage of the opportunities offered by sustainable management, conservation and restoration of biodiversity and ecosystems, and articulating traditional knowledge with sustainable socio-economic development. Some Latin American countries are advancing in this way of adapting the economic sectors to the challenges thrive by climate change. We can all learn from each other to ensure a resilient agriculture production: permaculture, agroforestry, regenerative agriculture, etc.

- There is an important potential for cooperation on research and development to mitigate our impact on the environment. For example, some scientists are currently studying kangaroos' diet since they produce lower levels of methane



This research could potentially be applied to cows and reduce their emissions. If we increase research cooperation to investigate ways to adapt agriculture sector and mitigate their impact, could help Australia and Latin American region since both are agriculture base economies.

Education

- Young people are not worried for the sake of worrying but because of the facts from science.
- Introducing better education programs in schools that focus on science and the environment is importance. The challenge is the access to quality education. Private schools providing the exposure whereas not all public schools have the same access to opportunity. These challenges arise in many Latin American countries.



- Australia and some other Latin American countries did a public campaign to increase awareness of the impacts to the environment that we generate. This can be a useful resource and way of cooperation for many Latin American countries, like Argentina, which still is struggling on this issue.

Tension with economy

- The world is locked into a model of development with fossil fuels which needs to start changing if we want to preserve humans and biodiversity. As the world also has a model of incentives interests, we need to think about ways to make sustainability profitable.
- Framing management of the environment in terms of 'productivity' rather than 'sustainability' could be effective and is currently being tested in universities and NGOs.



For example, The Nature Conservancy (TNC) is working to show the economic value ecosystems have. In the Mexican Caribbean coast TNC has worked very closely with local NGOs and the government to measure the value of a reef to decrease the energy of hurricane waves. So, by taking care of it, the insurance companies would have less damage payments since this ecosystem protects the city. Also, in Argentina TNC alongside with the government of Mendoza, private sector and local NGOs, created the “Fondo del Agua” to design and promote financial and governance mechanisms in order to contribute to water security and sustainable watershed management in the Mendoza river basin with nature-based solutions.



“During the session the legal framework of climate action in Argentina was also discussed. On this regard, the country was having a climate change national law debate on the Congress the next day. The so called National Law on Adaptation and Mitigation of Global Climate Change establishes the minimum environmental protection standard to guarantee adequate actions, instruments and strategies for adaptation and mitigation to climate change on the whole territory.

After the dialogue, the Law was legislated and Argentina is now one of the countries of the region to have a national law regarding climate change, as also Mexico and Brazil.”

DELEGATES

Startups and the economy

Ailin Tomio, Buenos Aires City Government

Borja Martel Seward, Lucus Ecosystem

Charly Karamanian, Ministerio Producción de la Provincia de Buenos Aires

Guido Sirna, Wifers

Governance and institutions

Camila Crescimbeni, Diputada en la Honorable Cámara de Diputados la Nación

Erin Watson-Lynn, Perth USAsia Centre, University of Western Australia

Facundo Cajén, Comisión de Presupuesto e Impuestos, Honorable Cámara de Diputados

Hamish Fraser, Department of Foreign Affairs and Trade

Micaela Finkielsztovn, Ministerio de Relaciones Exteriores y Culto de la República Argentina

Patricio Giusto, Pontifical Catholic University

Environment and Sustainability

Agustina Cundari, Ministerio de Ambiente y Desarrollo Sustentable de la Nación

Máximo Mazzoco, Ecohouse

Ximena Michemberg, Independent environmental consultant and professor at Argentine Catholic University

STEERING COMMITTEE



Borja Martel Seward
Chair, Latin America
+54 911 3474 0901



Erin Watson-Lynn
Chair, Australia
+61 424 345 818



Facundo Cajén



Ximena Michemberg

Email the steering committee: hola@australialatam.com
Find us on social media: [@australialatam](https://www.instagram.com/australialatam)

WITH THANKS

The Australia Latam Emerging Leaders Dialogue does not receive funding and therefore relied on the generosity of many to make the Buenos Aires Meeting a reality.

Borja and Erin would especially like to thank Australia's Ambassador to Argentina, His Excellency Brett Hackett, and the team at the Embassy including Mike Wight and Hamish Fraser.

They would also like to thank Facundo Cajén and Ximena Michemberg for their contribution to the program tracks. Finally, thank you to the original steering committee for sharing the early vision for this dialogue.



Australia Latam Emerging Leaders Dialogue

Strengthening relations between Australia and Latin America.
Fortaleciendo relaciones entre Australia y América Latina.

hola@australialatam.com
[@australialatam](https://www.instagram.com/australialatam)