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pour contribuer à un développement durable"*

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**Theme n°3: turning culture clashes into culture flashes: challenges
and solutions to intercultural management issues**

*Can predominant intercultural management dimensions based on the
binary opposition of cultural differences bridge the cultural divide between
CELAC and Europe?*

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1. Introduction:

A fundamental argument for developing a strategic alliance between the CELAC region (Community of Latin America and the Caribbean States) and the European Union (EU) is the need for new models of societies based on the active participation of its citizens. The focus of this new citizen involvement should be the sharing of fundamental issues relating to quality human co-existence. This can bring the two regions much closer and demonstrate that they could cooperate in improving their societies and facing common challenges. Nobody can deny the existence of important regional and local cultural differences prevailing in the intercultural management field in regard to private business, public policies and governance. However, the purpose of this paper is to put citizen participation and small and medium-sized enterprises (SMEs) as the common grounds of convergence in both regions. Citizen participation should be at the center of regional co-operation, and collaboration is crucial in the mutual search for common aspirations, common interests and common needs to build better societies in both Europe and Latin America.

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Can predominant intercultural management dimensions based on the binary opposition of cultural differences bridge the cultural divide between CELAC and Europe?

For the last six decades, the predominant stance in the intercultural management field has been that the needs of global executives can be achieved by securing “cultural competency” based on recognizing and categorizing cultural differences (e.g. Kluckholm and Strodtbeck, 1961; Hall, 1976; Hofstede, 1980; Trompenaars and Hampden-Turner, 1997; Bennett, 1986, 1993, 2002, 2005, 2011; Lewis 2005). The logic is simple: equip global executives and policy makers with an array of cultural competences or cultural intelligence, and they will then be able to recognize, adapt, and accept national and individual cultural differences. However, if this acquisition of competence is based on the binary notion of linear opposites or on a rational continuum of ethnocentric to ethno-relativist bipolarity, it is unlikely that the cultural divide between CELAC and European executives and policy makers can be bridged. We need to move away from just focusing on “how culturally different we are”. Instead, we need to spend our energy, knowledge, and wisdom in finding common grounds and challenges based on mutual understanding and mutual respect.

European companies seeking to do business in the CELAC region

Currently, for European companies actively seeking global business opportunities, Latin American countries do not necessarily present a rewarding environment in which to invest. However, despite the collapse of the current economic growth model that relied on temporary or non-reproducible conditions accompanied by widespread financial and political corruption, the Latin American market still continues to attract European companies seeking to secure a clear position in the region to strengthen their global strategies.

The CELAC region appears to have created two business models. These two opposite models which have appeared in CELAC, can be described in simple terms: the Pacific coast has adopted a more liberal and “outward looking” position, while the Atlantic coast has adopted a more traditional “inward looking” position, channeling the FDI capital and technology in interventionist, protectionist practices. Increasingly, it seems clear that both models have to converge if CELAC is to thrive.

Methodology

Our analysis is multidisciplinary: we will transcend disciplines, by incorporating a variety of scientific and analytical foundations. We will analyze the historical foundations of western thinking, as well as the economic and political development and the business cultures in Europe and CELAC. We will try to provide key positive insights on how to build common ground, and from there, how to develop a language of co-operation and sustainable collaboration between the regions.

The need to bridge the cultural divide between Europe and CELAC

We are of the opinion that unless Europe and CELAC change their current practices of societal development, both Europe and CELAC are very likely to face similar failures and potential disintegration, as was the case with the Eastern European Marxist state centralized models.

So far, all the existing and dominant models for human development are the outcomes of the historical evolution of binary asymmetrical power and the myth of the scientific superiority of rational, logical, linear and fragmented thinking. These are based on the practices of absolute and autocratic power and the economic, political, social and cultural exclusion of its citizens, which have resulted in repressive and dehumanizing practices both to humanity and to our planet. It is our view that Europe and Latin America need to find a new path for human development, and that both regions have the potential to achieve this goal if they can find common ground and common purposes for resolving common challenges.

2.- Understanding European and CELAC thinking foundations

2.1. The foundations of European thinking: Binary, Rational, Logical, Linear, Dualistic, Fragmented, Mechanical, Relativist.

The foundations of “modern” European human thinking and ideologies are rooted in what constitutes Greco-Roman and Judeo-Christian concepts: the beliefs, assumptions and values, which ultimately led to western binary, rationality, logic and science. The pre-Socratic philosophers (mainly Parmenides and Empedocles) laid the foundations of the rational discourse of Western culture, which originally had a deeply spiritual purpose. As explained

by Peter Kingsley [³], the spiritual tradition, which lies at the very roots of western civilization, was distorted and eliminated by the triumph of “reason” defined by Plato, Aristotle, and Theophrastus, among others.

The triumph of the post-Socratic thinkers had a pivotal impact on how Western culture was shaped and was biased towards rationalism at the expense of the spiritual and mystical components, which – according to Kingsley - was originally part of rationalism [⁴]. A new divine binary culture emerged where values, myths, rituals, perceptions, concepts and definitions were based on the existence of a superhuman, all powerful divine creator, external to human nature: God, the “Deus ex-machina”.

The historical imposition of the binary system of asymmetrical power, the privileges of the ruling elites, and the human control system has been relentless. It evolved into two main underlying characteristics: one that assumes that differences between humans beings are the product of natural divine laws; and the other that assumes that binary asymmetrical power relationships are to be taken for granted and accepted as universal, natural, rational, and eternally fixed truths. Western culture has subsequently remained enrooted in the determinism of a “natural order” exogenous to humanity.

These Socratic “Natural Laws” are responsible for the fragmentation of how humans think. (Stone 2015; Waterfield 2010) [⁵], [⁶]. They have created a bias towards Western culture and have led to a damaging complex of superiority towards non-western cultures. It is this concept of natural laws that has persisted in its ability to define the most basic and fundamental aspects of all European religions, cultures and ideologies (morally, ethically, spiritually, scientifically). Both Rene Descartes (1596 -1650), with his Cartesian doctrine of rational, logical and linear thinking, and Thomas Paine (1737 – 1809), with his advocacy of

³ Kingsley, P. *In the Dark Places of Wisdom*, Golden Sufi Press, 1999

⁴ Kingsley, Peter, “*Nowadays we like to think of rationality as completely distinct from mysticism, of science as something utterly separate from the knowledge of another reality. But that’s just an optical illusion. Really there can only be one kind of knowledge. And rationality is simply mysticism misunderstood*” from page 118, *In the Dark Places of Wisdom*, op. cit.

⁵ Stone, I.F, *The Trial of Socrates Hardcover* – 2015,

⁶ Waterfield, Robin, *Why Socrates Died: Dispelling the Myths Paperback*, 2010

freedom of the individual and reasoning, reinforced this notion of Western supremacy (Sutherland, 2007) [⁷]

Descartes' construct of knowledge promoted the separation - fragmentation of the mind from the body and the body from the soul. He established the foundations of science that have been the bedrock of rational and logical scientific enquiry and that, until today, prevails as the dominant scientific narrative and discourse. Earlier, the Socratic method, with its linear rationale, was the first to structure the existence of a divine binary logic of the opposites, consisting of fragmenting, dividing, and distinguishing opposite parts and then separating these parts (units) from the whole. In this world view, natural laws consist of the divine logic of opposites: God-Humans, Leaders-Followers, Good-Evil, Material-Immaterial, Rational-Irrational, Logical-Illogical, Visible-Invisible, Conscious-Unconscious. There is no in-between in this binary-asymmetrical-power perspective: all is black or white, good or bad, beautiful or ugly. It separates nature from humans, reason from faith, the soul from spirituality, humans from humans, man from woman, you from the other. It is the binary law of "Yes" or "No", the law of "all or nothing": something is perfect or ... should not be (Gonzalez-Carrasco 2015) [⁸].

Another enduring and damaging consequence of such biased rationality is the gender exclusion, man being empowered above woman "by nature". Plato and Aristotle believed that nature ordained not only physical differences between male and female but mental differences as well, declaring that women were incapable of reasoning and, as such, subject to men. This notion that nature makes women inferior to men [⁹] has resulted in a long-lasting exclusion of half of humanity, and has had severe consequences for peace, human harmony, and respect for life and our planet.

The Enlightenment generated, in the eighteenth century, two radically opposite schools of thinkers who shaped new, powerful political ideologies and antagonist regimes that appeared in Europe and affected the whole world. Both groups share the same epistemological mistake

⁷ Sutherland, Stuart, *Irrationality*, 2007

⁸ Gonzalez-Carrasco, Carlos A. *Culture as a living system of Life*, SIETAR Europa Congress, Valencia – Spain 2015

⁹ Whitbeck, C. (2007) 'Theories of Sex Difference', in Gould and Wartofsky (eds.), *Women and Philosophy*, New York, pp. 54-80; M.Maloney, 'The Arguments for Women's Difference in Classical Philosophy and Early Christianity', pp. 41-49.

by imposing their version of “rationalism” based upon a so-called “natural order” external to humanity.

In the first group, Rousseau - in line with Plato and followed especially by Robespierre and Marx - deduced the theory of “natural laws”, in which the assumed individual freedom (free-will) has to be (absolutely) submitted to the common will. The principle of “positive freedom” is a mere “de-sacrilege” of the Christian Thomist view about freedom, in which the “People’s Assembly” takes over the moral authority and infallibility which previously was God’s privilege. Individuals are genuinely free only if they choose what is “naturally” good for them. However, the definition of “naturally good” is set by the “sovereign” people’s assembly and is, by definition, always correct.

Rousseau’s logic is that “nature” imposes an absolute submission of individual freedom to the collectivity, and therefore democracy must only be a direct one, separation of powers is unnecessary, and individual opponents of the natural order are either sick or antisocial egotists. With this faulty syllogism, Rousseau became the “*betrayed of freedom*” [10], paving the way for a fatal deterministic utopia, which led straight to a rational and logical process of messianic and missionary belief. This belief, in turn, expanded into the deterministic “*sense of history*” (***manifested destiny***), which has imprisoned a significant part of humanity in political “despotic totalitarianism” and murderous tyrannies.

In the second group, in reaction against Rousseau, Bentham - followed by the utilitarian economists and neo-liberals – deduced from “natural laws” that individual freedom (free-will/human liberalism) must rule society and developed a “negative freedom” view that sees the individual as being free from any other interferences. The Anglo-Saxon discourse developed their own utilitarian perspective (Bentham), which was followed in the nineteenth century by the neo-classical economists and then by the neo-liberal humanist at the end of the twentieth century. This new human liberalism has also produced similar disastrous outcomes for humanity, contributing to the long-lasting process of de-humanization, based on the triumph of obsessive, obscene, abusive and destructive materialism.

¹⁰ Berlin, Isaiah , *Freedom and its Betrayal*, Pimlico, London, 2003

Both of these schools of thought impose their own (opposite) value judgment presented as inner necessities (absolute natural laws giving way to messianic messages) from which they rationally deduce exactly the opposite conclusions. The foundations of such fundamental errors are the same: these opposite ideologies are based upon the same rationalism, the same logic, the same fragmentation and the same ultimate determinism. Pretending to emancipate humankind by substituting an absolute power with another one, their binary discourse either results in entrusting blindly to the “sovereign people” or the “free individual”.

Neither of these schools of thought is innate to humankind because both are built on a mistaken deduction from à-priori judgments, remaining mere abstract concepts remote from social reality and facts and dependent on the “use of asymmetrical binary power” among human beings.

Marxist societal discourse applied in Eastern Europe followed the same linear logic and rational binary of asymmetrical power foundations. The binary oppositional power on this occasion is reversed from political liberalism to economic determinism; on the one hand, is the economic idealization of the “proletariat” as a superior class, and on the other, is the bourgeoisies as a “parasitic” class. Absolute truths, logical and linear sequences and economic determinism envisaged the ultimate triumph of the heavenly stage of happiness in communist societies as imposed by a logical and linear natural law of history.

For Marxists ideologists, the key to a democratic society is not found in the political arena but resides in the economic sphere –i.e., economic determinism (concentration of accumulation of economic capitalist profits and surplus). In the context of the binary class struggle, the “proletariat” will be granted both the means and the modes of production, but they are transferred from the grip of the capitalists into the hands of the people’s state, in the form of “common ownership”. The “state run communists enterprises” naturally act better than under any other owner. Although the Marxist idea of the heavenly model of human co-existence (happiness) was seen as being a superior economic, political and social ideology to capitalism, it however ultimately collapsed. The practices of scientific Marxist ideology have proven beyond any doubt that it was “undemocratic, despotic, inefficient and dehumanizing”

In short, in these post-Socratic practices, we see the emergence, evolution and practices of two dominant discourses and powerful ideologies: human liberalism and social humanism. Both come from the same foundations of “scientific” thinking, and both have been disastrous for humanity and for our planet.

2.2.- The foundations of CELAC thinking: The curse of binary colonial post-Socratic, enlightened rational fragmentation, and mixes of emotional, integrative, and circular thinking.

The Spanish and Portuguese conquest of South America in the fifteenth and sixteenth centuries imposed on their new territories the post-Socratic colonial binary thinking and a new hierarchical military and divine binary power. This was now based on a monotheist religion in the form of the absolute power of the Roman Catholic religion, a new system of privileges for the dominant white European elite, and a system of exploitation, seizure, and usurpation of native land. The indigenous people were excluded; they were enslaved, losing their land, their dignity, and their culture.

Furthermore, Spanish and Portuguese colonialism imposed European “patriarchy” on their new colonies; the exclusion of women was justified as natural, rational, and eternal, and this has shaped Latin American male dominant societies until this very day. Machismo and violence against women are other key features of this system of gender exclusion and can be seen as one form of “rent-seeking” from the dominant gender upon the other.

“Transculturation”, as described by Fernando Ortiz [¹¹], developed as a result of the racial mixes between different groups. This new blending gave Latin America a new distinctive culture; however, this also led to disgraceful and brutal racist categorizations. Spanish and Portuguese colonialism divided all ethnic groups into all the possible racial combinations as a way of categorizing racial purity and power amongst the races. Racial purity has been at

¹¹ Ortiz, Fernando; 1940, introduced the term “transculture” - "reinventing of the new common culture".

the core of the practices of blunt racism in Latin America and is another means to extract rents from the majority.

In spite of the organized genocide committed by the colonial absolutist powers of Spain and Portugal, it is accepted that, culturally speaking, indigenous and ethnic groups in Latin America had their own internal value systems, beliefs and myths from which they practiced diverse religions, ceremonies and rituals and which the colonial power destroyed [12]. All local civilizations (e.g. Olmec, Aztecs, Maya, Quechua, Aymara, Inca, Mapuche, Selknam, Kawaskhar), had elaborate systems concerning their life as well as sophisticated management of the habitat in which they lived. They shared in common key thinking foundations:

“They had a holistic and cosmically (time and space) based view that planet earth was an integral part of life. Land and nature were sacred and meant to be shared and used to sustain life”. El Alma”, The Soul, The Spirit, (por mi raza hablara el espiritu [13], was an integral part of sustaining life and the dignity of life was above any materialistic considerations” [14].

Despite this long-established indigenous worldview, ancient Latin American culture was erased and become dominated by the imposition of post-Socratic European binary system and, later in the eighteenth century, by the new enlightened “rational and logical” European discourse. Spanish and Portuguese colonialism used this “new asymmetrical binary” to introduce a sophisticated rent-seeking system, a new Latin American version of the post-Socratic error. This triple curse: the post-Socratic asymmetrical binary system, enlightened rationalism a la carte, and “rent seeking” has dominated Latin American culture for more than 500 years.

During colonial times, the Spanish Crown relied heavily on the segmentation of societies and a system of rights and privileges distributed centrally to local elites to ensure loyalty and

¹² Bartolme de las Casas, *A Short Account of the Destruction of the Indies*, *Brevísima relación de la destrucción de las Indias*) 1552)

¹³ Vasconcelos, José, Universidad Nacional Autonoma de Mexico, UNAM motto, 1920

¹⁴ Enrique Salomon, *Kincentric Ecology: Indigenous Perceptions of the Human-Nature Relationship*, 2000.

obedience to the King. This system of political exchange of rights for political support ensured the crown's long-term survival, imposing stability but no incentives for economic growth and development. On the contrary, this regime developed a specific culture of rent seeking by local elites protected by personal connection to the King and his absolutist power. This system was further reinforced by the mercantilist monopoly of the Metropolis, preventing any competition, constraining efficiency and specialization, and limiting trade to the predatory exportation of gold and silver for metropolitan products with very high transaction costs and taxes.

Nevertheless, as things stand today, the situation described above reflects the lack of analysis of the key-issue of the economic “rent-seeking” behavior, which is the use of power for capturing rents without creating wealth. Contrary to profit seeking, which implies mutually beneficial transactions and creation of wealth, rent-seeking is the manipulation of social institutions to redistribute wealth among different groups without creating new wealth and, generally, by imposing costs on competitors [¹⁵]. This is widely practiced in Europe and malignantly so in Latin America

In Europe, the industrial revolution was feasible first in Great Britain due to several factors. The victory of the parliament over and the monarchy and the “Glorious Revolution” of 1688 meant that the monarchy could no longer directly interfere in legislating on new technological and scientific discoveries. This was significant in that parliament applied less rent-seeking policies by developing and supporting key institutions, such as individual rights and the formation of guilds and trades and professional associations. They also legally protected new discoveries in science and technology with intellectual property rights, promoted more competition across trading activities, thereby discouraging monopoly practices, and restricted the issues of export licenses of British technology and licenses of skilled workers. At the same time, the educational system in England encouraged and promoted the development of science and technology.

¹⁵ In economist terminology, there is a systemic rent-seeking when institutions could not bring the expected private returns from investment closer in line with social returns, or when institutions provoke their divergence, Ghymers C., *History and Economy: the origins of Economic Progress*, mimeo, ICHEC, Brussels, 1996

England was the only place where rent-seeking behaviors were counteracted by incentives to innovate and create. This unique case of reducing rent seeking was progressively prepared by a convergence of many cultural, institutional and economic factors, such as the availability of the entrepreneurial agents from the “gentry class” and an abundant supply of urban workers competing for wages, (slave-wage was replaced by “*wage-labour per hour*”, with industrial workers fighting against this new form of slavery), a higher degree of literacy, availability of financial capital, and the introduction of financial and bookkeeping practices.

British American colonies were governed locally through representative assemblies, an independent judiciary, and a British-appointed governor. This Anglo-Saxon system provided the perception of a systematic enforcement of the “rule of law”, protecting individual rights and stimulating local production with less monopoly and fiscal distortions and more competition and incentives. As a result, rent-seeking behavior - although still existing - was not so prominent and did not block economic growth and socio-economic development.

In contrast, the Latin (Iberian) components of European culture – especially dominant in Latin America as well as on the majority of the European continent - were much less able to effectively reduce rent-seeking behaviors, which is one of the major obstacles for development and democracy. Latin America and the rest of the world were still more dominated by oligarchic rent-seekers impeding social and economic progress through discretionary political powers. The case of the Spanish and Portuguese colonial regimes is illustrative of these impediments to development (prohibition to develop manufacturing, productive investment, technologies and trade outside of the strict colonial monopoly pacts), which were legally established in their colonial empires, feeding a culture of systematic rent seeking.

When the Hispanic independence movements - inspired by the European Enlightenment and the American and French revolutions – took over, no political leader was able to build consensual institutions warranting incentives for production and innovation. On the contrary, the privileges of the ruling elites continued, resulting in highly negative and unequal socio-economic development,. This in turn resulted in social unrest and political turmoil, thereby pressuring people to call upon “strong” local leaders and to generate the need for “caudillos” (military leaders), which then created even more rent-seeking and political “clientelism” as

a governance recipe. Emblematic to this exploitation of the strong over the weak, is the fact that even the freemasonry – in spite of its “noble and opportune” emancipation ideas and its important role in the independence process – also entered in the rent-seeking game, and they too established a new system of power, privileges, control and exclusion in South America.

Latin American enlightened republicanism “a la carte” promoted a rent-seeking culture and its associated institutions. Corruption imposed during three centuries of predatory behavior by the colonial rulers combined with the institutional vacuum created by the basic disagreements inside each of the new republics demonstrate that the rewards for capturing power and the costs of being out of power were both excessively large.

These features plagued not only the fifteenth and sixteenth centuries, explaining the numerous coups and dictatorships, but also the present difficulties and divisions in the region. During the 1960s, 70s and 80s Latin American became the fertile ground for the binary “cold war” super-powers in their attempt to impose their imperialist versions of the “rational-logic” of capitalists and communists ideologies and models of society. The battle of the super-powers to secure their spheres of influence resulted in widespread butchery across the whole region, from Chile to Nicaragua. The winning sides, in the form of military dictatorships, imposed the neo-liberal model known as “the shock doctrine of global capitalism” [16], throughout the continent.

The process of transition from dictatorship to “democracy” that followed during the 1990’s and 2000s, makes the region again a fertile ground for new re-alignments and new forms of rent-seeking practices. In post-dictatorial Latin America, key regimes have embraced different degrees of state centralization and protectionist practices, setting in motion different mixes of new economic, social, and ethnic alliances to continue rent-seeking practices. Some nations in the region have opted directly for the neo-liberal model, while some governments have embraced a mix of state control and neo-liberal practices, and still others, predictably, developed their state centralized economic-ideological practices, only being forced to moderate the rigidity of their models due to the overwhelming failure of their centralized authoritarian state systems.

¹⁶ Klein Naomi, *The Shock Doctrine: The Rise of Disaster Capitalism* Paperback , 2008

Without any exception, all of them have used the democratic process to violate key legal and constitutional arrangements, such as adopting illegal constitutions (Chile) and changing the country constitutions to remain in power for several terms (Argentina, Brazil, Colombia, Venezuela, Ecuador, Peru, Bolivia). The average lifespan of a Latin American constitution is 16.5 years compared with 77 years in Western Europe and permanency for 226 years in the US. The continuous changes in the rules of the game means that each time this happens local people in Latin America do not take the revision seriously, and, as a result, it becomes a mockery of democracy. Without proper and applicable rules, democracy becomes a dangerous and explosive game.

The flaws in both systems and ideologies (in Europe and Latin America) are of the same nature, created by the interference of economic and financial powers with political powers. Although in Europe this alignment may be perceived as “less visible”, at the core, it constitutes the same fatal caveat for relying upon the same logical mistake: “One person one vote” does not apply to economic markets where concentration of power is a permanent fact. “Free markets” are never “free”, and by all accounts there are no “democratic markets”; neither “freedom nor democracy at work-enterprise” level exist.

Douglass North applied the concept of “open access societies” opposed to “limited access societies”. This school of economics assumes that “market economies” are accompanied by democratic regimes and thus become “automatically” open access societies. In reality, however, there is no automatic transition or transfer from a free market economy to political democracy. A deeper analysis may reveal more complex varieties where, in most cases, there is no transition or transfer at all.

The blind acceptance that “free market economies” must be the other face of the same democratic coin should be unequivocally questioned. There is no such thing as “free will” [17]; this is a mere myth, a fallacious merchandise [18];. Moreover, one must question the current fragmented discourse which suggests that the crisis we live in is purely an economic crisis, or others that advocate that it is purely a political crisis, or for others that it is a social

¹⁷ Eagleman, David; Who is in control? 2015

¹⁸ Harris Sam, Free Will, 2012

crisis, or even those pointing at a moral or ethical crisis. In fact, the crisis we are in is the crisis of the whole; it is the crisis of the very foundations of western thinking, perceptions and values [¹⁹]

Both regions, Europe and Latin America, are suffering from the same long-lasting achievement of the “biased” Enlightenment: the permanent and historical delusion over the belief of the existence of “political democracy and freedom” and, in parallel, the belief that the corporate and economic spheres are deemed to be “democracy free”.

As such, this principle of assuming that the “economic structures” remain immune from any form of democratization is not only accepted as natural and universal practice, but it is this that allows the economic system to maintain and consolidate its privileges. The corporate and economic body has been eating and swallowing this pseudo democracy with varying degrees of voraciousness in both Europe and Latin America to such an extent that currently the Europe Union faces similar difficulties as in Latin America, exposing both regions to the risks of decline and ultimate disintegration.

3. New alternatives in thinking foundations in the twenty-first century

Logical, rational, dualist, fragmented and reductionist thinking has dictated how one conceives notions of a nation-state, sovereignty, democracy, identity and notions of the self: the result is a dualistic and fragmented personhood (separation of the mind, the body and the soul). It has dictated how individuals experience the self and their relationship to others (co-existence), as well as their relation to the habitat/planet (co-habiting) [²⁰]. This is at the core of today’s ethical, moral, cultural, political and economic crisis. It is the source of not only the decline of Europe, but also that of Latin America and many other countries around the world. However, this fragmented and reductionist world-view has been profoundly challenged and a new perspective has been emerging, particularly with the advent of modern, progressive scientific advances.

¹⁹ Gonzalez-Carrasco, Carlos A., A New Culture for the XXI century, 2015, Western Decay and De-humanization

²⁰ Gonzalez-Carrasco, Carlos A., Culture as a Living System of Life, 2015

In challenging and rejecting the very foundations of Western thinking and Western materialism over the last 30 years, there has been an energizing burst of activity in the various branches of sciences in Latin America, Europe and USA. In Latin American, scientists such as Francisco Varela and Humberto Maturana, have developed new scientific foundations for what is known as “The Santiago School of Cognition” (1978), i.e., the biochemistry of human knowledge as a living system, integrative and multidimensional [21].

The concept of living systems for the first time integrates economic, social, political, ecological, cognitive, psychological, and biological spheres as unifying dimensions, as non-linear dynamic and complex networks based on quality relationships. [22]

The scientist Fritjof Capra has fully acknowledged the impact of the Santiago School of Cognition in the development of an alternative scientific body, and Capra’s own contribution has also been outstanding.

Many others in various fields have challenged the predominance of the dualistic rationality models. David Bohm (1995, 1997) [23] relied on quantum physics to reject fragmentation and segmentation and contributed to the concept of ‘wholeness’ by introducing complexity and dynamic relationships between the individual parts and the whole. The neuroscientist, Antonio Damasio established that “every human action/decision involves emotional impulses” [24]. Sebastian Seung, whose research efforts have spanned the fields of neuroscience, physics and bioinformatics, claims that “there is no proof otherwise – of reasoning – because no person has direct experience of anyone else’s feelings” [25]. John Searle exposes and rejects Descartes’ dualism and the fragmentation between consciousness

²¹ Valera F. & Maturana, M (1978) Santiago School of Cognition), Ethical Know-How: Action, Wisdom and Cognition, (1992) The Tree of Knowledge

²² Capra, F. (2014). The Systems View of Life co-authored by Pier Luigi Luisi, (1982) The Turning Point: Science, Society, and the Rising Culture, (1997) The Web of Life: A New Scientific Understanding of Living Systems, (2002) The Hidden Connections.

²³ Bohm, D. (1995) The Undivided Universe: An Ontological Interpretation of Quantum Theory (2002) Wholeness and the Implicate order, (1997, Creativity (1980) On Dialogue

²⁴ Damasio, Antonio (2012). Self Comes to Mind: Constructing the Conscious Brain, (2000), The Feeling Of What Happens: Body, Emotion and the Making of Consciousness

²⁵ Seung S. (2013), Connectome: How the Brain's Wiring Makes Us Who We Are

and unconsciousness [²⁶], Gerald Maurice Eldeman rejects dualist reasoning and proposes a biological theory of consciousness (embodied cognition)[²⁷].

David Eagleman uses neuroscience to look at how we make decisions, referring to the unconscious brain as non-rational [²⁸]. Other scientists such as Steven Weinberg 2014 [²⁹], Prof Andre Geim 2010 [³⁰], Daniel Kahneman 2011 [³¹], Mary Midgley 2004 [³²] have all challenged the existing and dominant practices of Cartesian dualistic rationality.

As a result, in Latin American and Europe, educators, anthropologists, linguistic experts, artists, writers, poets, painters, musicians, film-makers and many others from diverse professions are developing new narratives, new discourses, new imagery, and new depictions of the enormous potential that exists in searching for quality human co-existence and co-habiting, making valuable contributions to this new body of knowledge.

Today, it is widely acknowledged and accepted that the role of emotional impulses and energy in innovation and creativity, intuition and experience are no longer fragmented. Similarly, imagination, spirituality, mysticism, fantasy and shamanism are considered to be useful in the treatment of mental illness, in holistic education, in transpersonal psychology, ontological executive coaching and self-leadership, and in integrating the two key transformations of the twenty-first century, “democratic ownership and democracy at work” [³³].

²⁶ Searle, S.- (2015) *Seeing Things as They Are: A Theory of Perception* , (2011), *Making the Social World: The Structure of Human Civilization* Paperback , 2011, *Philosophy of Mind - Dualism, Descartes Legacy* (youtube = https://www.youtube.com/watch?v=qX_tb583xQ)

²⁷ Eldeman G. (2007). *Second Nature: Brain Science and Human Knowledge*. (1972) Nobel Prize in Physiology-Medicine

²⁸ Eagleman, David (2015). *The Brain: The Story of You*

²⁹ Weinberg, S. (2015). *To Explain the World: The Discovery of Modern Science*

³⁰ Geim, A. Prof (2010) Nobel Prize of Physics discovered graphene. Graphene is the thinnest known material; a sheet of carbon atoms arranged in hexagonal cells a single atom thick, and yet stronger than diamond. It has potentially significant applications in nanotechnology, 'beyond-silicon' electronics, solid-state realization of high-energy phenomena and as a prototype membrane which could revolutionize soft matter and 2D physics.

³¹ Kahneman, D. (2011). *Thinking Fast and Slow*

³² Midgley, M. (2004) *The Myths We Live By* (2010), *The Solitary Self: Darwin and the Selfish Gene*, (2014) *Are You an Illusion?*

³³ Wolff Richard, *Democracy at work*, 2012

These new advancements in integrative and systemic science provide us with a new way of thinking and give us the conditions for changing the existing dominant practices, which have resulted in the current decayed thinking and de-humanization.

4. EU and CELAC economies suffer similar diseases at different degrees

In the conceptual framework analyzed in previous sections, we established that their common foundations of thinking and their similar ideological mistakes have affected both European and CELAC economies. Economic affairs and the political realm are most often assumed to be independent and autonomous, whereas in reality, systematic interferences extends from economic powers into political decisions for the purpose of rent-seeking and profit-making practices.

In the EU, as in the US or other mature economies, this reality is generally denied either for ideological reasons or purely by assuming that competition in “open access societies” will automatically ensure democracy - North’s school [³⁴]. Of course the degree of interference is very different between the EU and the CELAC regions, and the dispersion of interference between the countries is also very large inside each region. Nevertheless, the situation is worrying as both the EU and CELAC economies are in deep crisis, not just for cyclical reasons but also for the more fundamental inability to recover and to increase total productivity growth.

As regards the CELAC area, the successes registered from 2003 to 2012 are clearly over due to the heavy dependence on exogenous conditions or non-reproducible factors [³⁵] and the inability to sufficiently reform its economies and governance. This harsh diagnosis cannot deny both the genuine efforts made in governance and the partial improvements reached in several countries (but not all!), nor the capacity to react with deepening and broadening efforts while facing adverse conditions in the future.

³⁴ North C Douglass Understanding the Process of Economic Change - The Princeton Economic History of the Western World, 2010

³⁵ Ghymers, Christian “The Pacific Alliance a potential catalyst for strengthening the CELAC and paving the way towards a genuine Strategic Alliance with the EU”, IRELAC, Brussels, 2015

However, political and economic realities demonstrate that temporarily improved conditions and opportunities are historically wasted, and are actually intended to create additional rent-seeking, which then leads straight to potential further difficulties. In particular, we refer to the continuous social and political turmoil, resulting in the serious and disrupted process of economic instability in the CELAC region. In fact, the positive efforts already made have not increased the growth paths of potential output and productivity, and they have not improved the convergence towards more developed economies. On the contrary, almost all indicators of development convergence compiled by the Brookings Institute show the relative regression of Latin America [³⁶]. Once again, another waste of historical significance and another missed opportunity.

When conjectural and specific windfall gains are consumed or misused by local corruption and “populist clientele”, social frustrations and discontent increases as the share of the cake shrinks, revealing new hidden socio-political fragilities. Since the “social fabric” in Latin America is already under the stress of suffering from the worst income distribution in the world, they cannot resist further decreases from a medium-term trend of 4 to 5% annual growth for their potential output to a trend of 2 to 3%. This is already the case in Europe, where the annual growth rate has fallen from 2% to less than 1%, but with less perceived poverty and socio-economic inequalities.

Latin American total productivity [³⁷] in 2011 was still lower than its 1990 level. This indicator has not increased in more than 20 years of growth, which must be a world negative record. Such a negative outcome is a key-measure of the long-run determinant of economic development and indicates a desperate lack of efficiency in the economies of the whole region.

Indeed, all the available indicators point to the fact that regional integration in Latin America is structurally inferior to the levels it should normally reach according to the structural

³⁶ Talvi, Ernesto *Latin America's Decade of Development-less Growth*, Think-tank 20, Brookings Institution & CERES (Centro de Estudios de la Realidad Económica y Social, Montevideo)

³⁷ Total productivity measures efficiency with which factors of production are combined by taking into account the totality of the used factors, not just labor. These figures come from the KLEMS/Conference Board data base, see Coremberg, Ariel “La Productividad de América Latina ante el auge de precios de productos básicos”, Cuadernos Económicos de ICE, 84, p. 123-153, ARKLEMS+LAND

determinant of integration. At the same time, participation of Latin America in GVCs indicates resilient weaknesses: a low degree of trade openness and bad quality of trade structure by products, by destination, by firms and by genders [³⁸]. For nearly two decades, Latin America has been clearly lagging behind other emerging countries, especially the Asian region, for its participation in GVCs [³⁹]. Furthermore, Latin America is trapped in a center-periphery dependency even with other emerging economies, such as China, showing counterproductive effects of protectionist strategies.

Indeed, this new reality also transforms the political economy in reference to policy reforms, shifting the attention towards the need for openness in the “trade-investment-services-IP nexus” (Baldwyn⁴⁰), which implies specific policies for effective regional integration, trade facilitation and free access to the best inputs (including services) and technologies (including FDI), better governance, infrastructure and logistic efforts, competition regulation, and R&D strategies.

A crucial change brought about by globalization is that trade opens the opportunity for changes in the local economy. Increasing local productivity through the diversification of exports and the free choice of imports can create better links within the local economy and its services, specifically through innovative and promotion of SMEs. Additionally, it can promote better distribution of income and progressive social policies, which are associated with the development of female entrepreneurship.

Nevertheless, although globalization and its “unbundling of production process [⁴¹]” could offer the region opportunities for quick development, it increases the handicap for economies characterized by a low level of real regional integration and trade openness. Moreover, it can create a risk of a vicious circle that could worsen an already backward situation if there is no a proper regional (and bi-regional and multilateral) cooperation strategy. And this is

³⁸ ECLAC, *Globalización, integración y comercio inclusivo en América Latina*, Osvaldo Rosales and others, Santiago, 2015

³⁹ Blyde, Juan S. Editor, *Synchronized Factories Latin America and the Caribbean in the Era of Global Value Chains* IDB, Washington, 2014

⁴⁰ Baldwin, Richard “21st Century Regionalism: Filling the gap between 21st century trade and 20th century trade rules”, CEPR Policy Insight N°56, London, May 2011

⁴¹ Baldwin, Richard, op. cit.

precisely where a strategic EU-CELAC coalition could make the difference by offering a win-win outcome in several development areas.

First, empirical studies have identified a link between rapid economic development and poverty reduction with increasing participation in GVCs. Even though some countries take on low-value-added assembly tasks, their exports still generate a substantial portion of their income—that is, they have a high ratio of value-added exports to GDP, and these economies are also those that have been growing relatively quickly since the mid-1990s [⁴²]. This suggests that there are important learning effects and other kinds of positive spillovers on the rest of the economy, especially upon SMEs, that come from anchoring a country to global value chains. For example, local firms in countries that specialize in assembly may indirectly benefit from exposure to new technology used by foreign firms or the improved business environment associated with foreign investment.

Second, rather than being an obstacle to cooperative strategies, difficulties and challenges faced by both regions are, on the contrary, driving forces for strengthening their cooperation [⁴³]. The handicaps of CELAC economies in global insertion and in governance represent additional reasons for launching a new cooperative alliance with the EU: the fundamental reason being that the dynamic convergence of interests in both regions could be put in motion for reaping the benefits of their complementary economic needs if adequate instruments of coordination and cooperation are in place.

This historic opportunity is precisely that with more than 15 years of Summit Diplomacy, the required coordination instrument is at hand at the very moment policymakers of both regions are facing serious challenges. For both regions, these challenges call for a change in their international bargaining positions for upgrading their insertion in GVCs, as well as for gaining, a more solid footing in the Mega-regional-trade negotiations with the other global powers, who are currently engaged in imposing their own norms.

⁴² UNCTAD, *Global Value Chains and Development*, UN Geneva, 2003; WTO, *Global value chains in a changing world*, edited by Deborah K. Elms and Patrick Low, UN Geneva, 2013

⁴³ Ghymers, C. *Pacific Alliance...*, 2015 op. cit.

There is a need for bi-regional policy cooperation between CELAC and the EU to improve the respective insertions in GVCs, which the Pacific Rim powers tend to dominate, and to reverse the growing gap favoring the Atlantic Rim. This cooperation, banking on its mutually attractive complementariness with this kind of international insertion in global competition, could tackle two closely related issues: the respective poor productivity performances in the CELAC and EU regions and the required upgrading along GVCs. This implies taking part in Mega-regional-trade negotiations to ensure a stronger position in the Pacific Rim growth factory, as well as to progress with the regional integration in the CELAC area.

The respective competitiveness of both CELAC and EU economies are about to be affected by the ongoing negotiations towards “Mega-regional-free-trade agreements”, which are deeper agreements that change the conditions for spurring GVC development. The dominance of GVCs in shaping trade, investment, technology transfers and productivity growth has made competitiveness dependent more upon numerous non-trade barriers and other domestic factors such as legal security, governance and business climate. Therefore, the kind of new trade rules required by GVCs are often negotiated within these Mega trade agreements out of the multilateral scheme of the World Trade Organization. These rules include the treatment of foreign investment, competition policy, government procurement, capital flows, environmental and labor regulations, and measures relating to the granting of visas and regulatory convergence.

The existence of EU growth difficulties tends to make EU policymakers more inclined to look for better access to new markets, while CELAC policymakers are more in need for gaining better access to GVCs and technology transfers by benefitting from the experiences and cooperation of their European partners. The contribution of EU cooperation to CELAC is especially important for contributing to the virtuous relationship between competitiveness and internationalization. Improving competitiveness implies, for both regions, the need to improve education and innovation, two key-aspects in which bi-regional cooperation can make a difference for both sides.

Research needs diversification for increasing innovation capacity, especially for SMEs, which represent the bulk of the productivity gaps with the two other dominant regions (North America and Asia) and between the EU and CELAC as well as inside both regions.

In turn, internationalization stimulates the competitiveness of SMEs by making them operate in more complex markets and giving them access to new technologies, business practices, networks and market information, among other resources. This internationalization could be faster for both regions in the context of their bi-regional cooperation for acceding to GVCs. Indeed, participation in GVCs is also a powerful tool for the internationalization of SMEs, which can gain access to these chains through direct or indirect exports, that is, by supplying goods or services to larger export firms. Experiences from ASEAN countries show that the highest rates of SME participation in production networks have been in countries that are more fully integrated in such networks.

This strategy means that it is necessary to spur the evolution from an inter-industry trade pattern to a more intra-trade structure, with an upgrading mainly for CELAC economies. They also need to contribute to the improvement of their joint participation in all the GVCs that are of mutual interest, i.e. improving their joint competitiveness. Such an objective requires a specific cooperation in education and in science and technology for stimulating innovation, one of the priority topics of the bi-regional cooperation.

5. Bridging the cultural divide between Europe and CELAC

Europe and CELAC are both at crossroads. Both regions are simultaneously facing a wide range of critical issues in economic, political, social, environmental and cultural spheres. They cannot continue as they are with current practices, which follow the same path of decay and disintegration as Eastern Europe did.

The method: Together, CELAC and Europe could leverage their differences and complements to innovate and develop new and sustainable societies, drawing upon the bi-regional dialogues launched by the process of EU-CELAC Summits for building a Strategic Alliance. Equally, they could achieve this by moving from a mere traditional diplomatic meeting, excessively reserved for Chancelleries, to an open bottom-up process of free exchanges between citizens, academics, SMEs, medias, and civil servants from national administrations. We think this kind of alliance is possible if both regions embark on a new process of “partnership for re-democratization”, where citizens become the center of the new inclusive culture of open participation. Not only does the “private model” and the “public

model” need to be re-assessed, as they cannot continue as they are, but also a new model – a citizen-based model - needs to be developed.

This requires the systematic development of a cluster of bi-regional networks allowing for simultaneous collegial exchanges and dialogues at several levels: citizens associations, academics, SMEs, administrations, judiciaries and parliaments, and consumers groups. All looking for a new way of thinking, a new culture with a new set of values which should be more stimulating to find with close – but external partners. Such a bottom-up movement has already started with the recent initiatives to hold parallel summits simultaneously with the bi-regional EU-CELAC Summits. These movements - social summits, business summits, academic summits, justice summits - will give a real sense and direction to the diplomatic process of the bi-regional Summit of Heads of State and Government, putting pressure on orienting the agendas and being accountable for their management of the bi-regional cooperation and relations.

The main thematic issues: Europe and CELAC need to overcome social exclusion and the widening gap between the few (have much) and the majority (have little), together with the related damaging penetration of rent-seeking behavior through the influence of corporate interests on politics. One of the results of this inequality is the lack of productivity, which has to be dealt with by encouraging innovation and cooperation at both the bi-regional and local level and between SMEs and respective multinational firms for ensuring better inclusion into Global Value Chains. These issues should be the direct concern for CELAC-EU dialogues. Both regions would benefit if they exchanged their “best practices” for putting in place bulletproof “checks & balances”: accountability, reducing rent-seeking behaviors, overcoming corruption and dealing with dysfunctional legal systems. This means a radical participative change with respect to conventional practices of “diplomatic” bi-regional relations.

Finding cultural common grounds: It is imperative that from the outset European and CELAC executives and policy makers recognize and acknowledge the full implications of different historical events that shaped Latin American and European culture. This means being aware of prejudgments, stereotyping attitudes and complexes on both sides, as well as of the existence of ample diversity inside each region. By so doing, the dynamic outcomes

which will result from opening new channels of exchanges and new opportunities for exploiting respective differences and advantages will contribute to the mutual questioning of the past practices and establish approaches for facing common challenges and resolving the main issues blocking both societies. Cultures are evolving and transforming by meeting other realities; the EU and CELAC offer a powerful field of positive and beneficial interactions.

Conclusions

We established that from post-Socratic practices emerged a deep complex of superiority that claims Western rationalism is superior to other forms of human thinking. Two dominant discourses and modern powerful ideologies - human liberalism and social humanism - come from the same roots of “rational scientific” thinking foundations. In our view, both have been disastrous for humanity and for our planet and should be reexamined.

The present exercise is an ambitious attempt to analyze European and Latin American experiences, going deeply and unsparingly into the millenary roots, with the strong conviction of overcoming our present difficulties. The common roots of European and Latin American societies provide a chance and a lever for both regions to launch a process of genuine reforms by drawing upon common values. This conviction and method of achievement allows for effective proximities and respect, while providing mutual outsider scrutiny and criticism in a competitive and complementary combination, which would be difficult to imagine with other partners. Indeed, although European societies already present a broad range of complementary cultures, it is more efficient and effective to draw upon an outsider’s scrutiny for agreeing upon necessary changes. However, this scrutiny has to be sufficiently aware of mutual values and weaknesses.

In the economic field, Latin America would benefit the most from a coalition with the European Union in reference to Mega Treaties. New trade rules required by GVCs are often negotiated within these mega trade agreements out of the multilateral scheme of the World Trade Organization. These include the treatment of foreign investment, competition policy, government procurement, capital flows, environmental and labor regulations, measures relating to the granting of visas and regulatory convergence. The strategic coalition EU-

CELAC is also very promising in Multilateral negotiations and governance issues, such as the international monetary system (IMF), the environment, peace, and justice.

Another important field of common actions should be innovation and SME cooperation across the Atlantic, as they are intertwined with the socio-economic realities in both regions. The EU-CELAC cooperation provides the tools for encouraging such SME operational links under the condition of inducing a more open access through a systematic process of competitive participative ownership by citizens, associations, SMEs and press networks.