

The Arab World and Latin America: Long-standing Migration, an Expanding South-South Partnership

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Arab and Latin American countries have long maintained relations through numerous international organizations, especially the Non-Aligned Movement. And apart from certain small countries too close to the United States or directly under its influence, Latin American countries have generally supported Arab movements of national liberation emerging in the wake of the Second World War and have opposed interference, manoeuvres and military intervention by foreign powers in Arab countries. Despite this historical proximity, until the dawn of the 21st century, trade remained relatively modest. Since the first Latin America-Arab World Summit in 2005, this trade has experienced a spectacular upsurge.

The present text aims to take stock of these economic developments and show the mutual benefits gained by both Arabs and Latin Americans from this South-South partnership, strengthened and strongly supported by an Arab diaspora numbering over 10 million people, living in Latin American countries for generations and today perfectly integrated within those societies.

The Arab Diaspora in Latin America

Many writers have endeavoured to tell life stories of Middle-East immigrants to Latin America. Amin Maalouf, in "Origins" (2004), gives piquant details of the voyage of his family members to Cuba. In 2012, Raphaël Confiant, in his novel "*Rue des Syriens*," de-

scribes the tumultuous journey of a Syrian immigrant to Martinique in the early 20th century. In Arabic, there are countless novels published by these Arab expatriates and their descendants. This body of works is called "*Adab al Mahjar*" (Diaspora Literature), Kahlil Gibran being the most emblematic of its writers.

But what drove thousands of Lebanese, Syrians and Palestinians to cross oceans and brave storms to settle in Latin America, and as far back as the 19th century? Historians point out a number of factors: confessional conflicts, poverty and Turkish repression. In the 20th century, the First World War, the French and British mandates in the Mashreq (1922-1948), the creation of the State of Israel (1948) and the Palestinian Nakba, and more recently, the Israeli-Arab War of 1967 and the Lebanese Civil War (1975-1990) caused general deterioration of living conditions and drove hundreds of thousands of Arabs, above all from the Mashreq, to attempt the Latin American migratory adventure, taking advantage of family networks of people already living there.

The majority of these "Arab immigrants" have disappeared from the statistics insofar as "foreign nationals": they are now Latin American and have been for several generations. Scattered across an entire continent, it is very difficult to gauge their number, hence the fanciful estimates ranging from 10 to 30 million. By putting together all the information I was able to glean, the most realistic estimate would put them at 10 to 12 million.

A Difficult Migratory Path, Yet Crowned with Success

The first immigrants disembarked in countries whose languages and customs they knew nothing of. The first years were difficult and not exempt of conflicts

with the autochthonous community. The only activity in which they engaged was itinerant trade. In less than a generation, immigrants began setting up stalls and opening shops. In São Paulo, there were no less than 320 “Arab shops” in 1907. In 1916, the shops held by Argentine Arabs were estimated at 3,701. With the second generation, immigration changed in nature: from temporary to permanent, from individual to familial. Parents who had remained in the old country now undertook the trip in their turn. Generally, marriage took place among family or tribal members. In addition to commerce, second-generation immigrants engaged in industry as well. A Palestinian from Beit Sahur, of the Sahoria family, opened a textile factory in Lima in the early 20th century. Later, he opened branches in Chile and Bolivia. A Lebanese, Ne’me Yafet, did the same in the city of São Paulo in 1907.

Very quickly, small shops became “department stores” and small industrial workshops became “large companies,” especially in the textile sector. Akrim Abdelwahid reported that before World War II, 75% of silk articles and 25% of cotton and wool products produced in Brazil, 90% of textiles in Chile and 50% of textiles in Argentina were made in factories owned by “Arabs.” With their economic rise and amassed fortunes, the Arabs were no longer “*los turcos*,” an oft pejorative name; they became “*Libanese, palestinos y sirios*.”

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Having climbed the ladder of economic success, the children of the second and subsequent generations frequent universities and prestigious schools, join political parties and labour organizations, or even revolutionary movements, but they increasingly marry

outside “the family.” However, they do not forget the roots and land of their grandparents or great grandparents. The case of the Latin Americans of Palestinian heritage is emblematic in this regard, for they keep very strong ties with their families who remained in Palestine and display unwavering solidarity with their “*hermanos palestinos*,” as they call them.

Significant Breakthrough of “Latin Americans of Arab Origin” in Business and Politics

The economic success of the “Arab diaspora in Latin America” opens politics to them, first on the local scale, then on the provincial level, and finally the national one. It would be tedious to draw up a complete list of Latin Americans of Arab origin having held posts of bank presidents, army generals, governors, ministers, and even presidential candidates or presidents of republics. A few examples will suffice to demonstrate the diaspora’s involvement in the economic and political life of Latin American countries. For instance, Ricardo Yafet, of Lebanese origin, was president of the Central Bank of Brazil before becoming the Economy Minister, a post in which he would be succeeded by another Lebanese, Camilo Achkar. In Chile, Carlos Masad likewise headed the country’s Central Bank. More recently, in the 2000s, the descendants of Arab immigrants held a large number of seats in the Brazilian Parliament. Indeed, they are present in all Latin American parliaments, although to a lesser degree.

Given their economic status, one could assume that these “Latin Americans of Arab origin” would vote for conservative, right-wing parties. This is true, but only partially, since *their presence in labour unions, and left-wing and even revolutionary parties, has been amply documented* by Latin American authors. This is the case of: the labour union leader in Ecuador, Pedro Saad; Asaad Bucarem, founder of the *Concentración de las fuerzas populares* of Ecuador; Sergio Bitar, member of the Chilean Communist Party; Jabbour Maalouf, of the Bolivian Revolutionary Movement; and Fernando Nadra, Minister of Justice in Cuba under Fidel Castro. These are but a few examples amongst thousands.

And finally, a fact that we often ignore is that, since the 1970s, ten Latin Americans of Lebanese, Pales-

tinian and Syrian origin have reached the top echelons of state government as prime ministers or presidents: Edward Seaga, Prime Minister of Jamaica (1980-1989), Julio Samir Turbay, President of Colombia (1978-1982), Jacobo Majluta Azar, President of the Dominican Republic (1984), Carlos Menem, President of Argentina (1989-1999), Abdalá Bucaram, President of Ecuador (1996-1997), Jamil Mahuad, President of Ecuador (1998-2000), Carlos Flores Facussé, President of Honduras (1998-2002), Elias Antonio Saca, President of El Salvador (2004-2009), Michel Temer, President of Brazil (2016-2018), and most recently, Mario Abdo Benítez, President of Paraguay since April 2018.

Latin America and the Arab Countries: Diplomatic Opening, Economic Breakthrough

Until the year 2000, economic relations between Latin American and Arab countries were nearly nonexistent. The Cold War, geographic distance, internal divisions within each group, Latin America's focus on the United States and the Arab countries on Europe most certainly constituted serious obstacles to Latin American-Arab World, South-South cooperation.

The end of the Cold War, the will expressed by the two groups to diversify their export and import markets, and their wish to free themselves of the somewhat stifling embrace of their traditional allies would lead to a significant rapprochement. It was the Brazilian president, Lula da Silva, who, after his election in 2002, spearheaded the new Latin American-Arab World partnership.

Four South America-Arab Countries Summits

Everything began with a visit by Brazilian President Lula to the Middle East in 2003, the first visit by a Brazilian president since the one by Emperor Dom Pedro II (1825-1891) in the 19th century. On his first tour of the Arab countries, President Lula visited Syria, Lebanon, United Arab Emirates, Egypt and Libya, and met with Palestinian representative, Nabil Sha'ath.

This choice of countries was not fortuitous. The visit to Lebanon and Syria was justified by the presence in

Brazil of a significant Syrian-Lebanese diaspora, highly influential on the political and economic levels; the Emirates are an import market for Brazilian agricultural products and a potential source of investments; and Egypt is the 3rd-largest importer of Brazilian products in the Arab region. With regard to the Palestinians, they have always enjoyed unfailing Brazilian solidarity in their struggle against Israeli occupation. The warm reception afforded the Brazilian President made him realize that there was a real will on behalf of the Arabs to go beyond bilateral agreements and foster South-South cooperation. Coincidentally, certain Latin American countries, namely Brazil and Argentina, felt the same need to diversify their markets and find new trade partners.

This is how the idea of organizing a Summit of South American-Arab Countries (ASPA) was born. A preparatory meeting took place in Marrakesh on 22 and 23 March 2005. The choice of Marrakesh was likewise not random, for the King of Morocco had toured Latin America in late 2004 and became an advocate not only of strengthening ties between Morocco and Latin America, but also of the urgent need for a partnership between Latin American and Arab countries. The initial ASPA Summit was held in Brasilia in 2005, and involved 33 delegations, 22 of them from Arab countries and 11 from Latin American ones (six Arab heads of state attended, as compared to nine Latin American presidents). This was the first exercise in multilateral diplomacy between Latin America and Arab countries. In the Final Declaration, the participants asserted their will to deepen intraregional political dialogue, intensify trade and strengthen cultural dialogue.

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Neither the United States of America nor, a fortiori, Israel looked favourably on this summit: the United States feared the constitution of a bloc opposed to

their interests and the Israelis saw it as an Arab attempt to mobilize Latin Americans for the Palestinian cause. Despite American pressure on certain Arab and Latin American countries, the Summit was held as scheduled and was a success.

After Brasilia in 2005, three other Summits have been held: in Doha, Qatar (31 March 2009), then Lima, Peru (1-2 October 2012), and finally Riyadh, Saudi Arabia (10-11 November 2015). Uncertainties hang over the holding of the next summit due to Middle East turbulence and fissures in the Gulf Cooperation Council, as well as Venezuelan instability and Brazilian imbroglios having led to the imprisonment of Lula da Silva, kingpin of these bi-regional meetings.

This diplomatic blockage may last for some time, but it does not prevent trade from expanding.

Increasingly Strong Economic Relations

Latin America has considerable water resources (60% of the world's reserves in fresh water). It is not surprising that it has become a "global water bank." Arab countries, on the other hand, suffer from water stress or shortage and are the number one importers of agricultural products: the overall food import bill is estimated at 120 billion dollars, that is, a demand per inhabitant of 350 dollars, three times the Chinese demand.

But at the same time, Arab countries are the greatest exporters of gas, oil and phosphates, resources that Latin America generally needs. Moreover, the Arab oil countries, above all the United Arab Emirates in the Gulf, have built up considerable financial resources (the famous sovereign funds) and are on the lookout for profitable investments, whereas Latin America is short of investments. Their complementary nature is thus evident.

And yet, before the 2005 Brasilia Summit, trade between Latin America and the Arab countries remained modest, ranging from 1.5% to 3% of the two regions' total trade, although the percentages were higher for certain products. Latin America supplied nearly 75% of Arab chicken imports, 80% of sugar, 75% of coffee, 50% of meat and 40% of soy and maize.

Today, the situation is completely different. It is estimated that Latin America meets nearly 17% of Arab

food needs (i.e. nearly 20 billion dollars'-worth) and, if we add the other, non-food Latin American exports (iron, zinc, copper) and other raw materials as well as other industrial products, it easily amounts to 25 billion dollars in Latin American exports to Arab countries.

Latin American imports from Arab countries are also significant but hardly surpass 10 billion dollars and essentially consist of gas, oil and phosphates. Saudi Arabia meets nearly 12% of Brazil's oil needs, Qatar 8% and Algeria 12% (namely refined oil). Insofar as Morocco, by 2012 it was supplying nearly 70% of Mexico's demand in phosphates and its derivatives. These are but a few examples of an interdependence built in less than 20 years.

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Gulf States: Latin American Countries' Main Economic Partners

The Arab Gulf countries are major importers of meat, sugar, coffee, fruit and other agricultural produce and foodstuffs. It is therefore natural that Latin American countries have become their main suppliers. In this regard, two reports published in 2016 and 2018 by the Economist Intelligence Unit are teeming with enlightening information. The 2016 report estimates that 9% of the Gulf's food imports were from Latin America and the Caribbean, to the amount of 4.3 billion dollars. In this trade, Brazil takes the lion's share (above all in meat and sugar) followed by Argentina (meat and grains), Chile and Ecuador (nuts and fruit).

It is estimated that in 2018, the value of food and agriculture exports from Latin America and the Caribbean was expected to exceed **6 billion dollars**, which ultimately only represents 55-60% of total Latin American and Caribbean exports to the Arabian Gulf, that is, **10 billion dollars**.

But the Gulf countries interest Latin America for a reason other than commerce: namely, for cross in-

vestments. The Brazilian mining giant, VALE, for instance, has set up a steel mill in Oman for a total investment of nearly a billion dollars. For its part, DP World (of the United Arab Emirates) has participated in the construction or modernization of numerous Latin American ports, such as the Port of Callao in Peru or the Port of Mariel in Cuba (an investment of 250 million dollars).

The Latin American banking sector has likewise aroused keen interest among Gulf investors. The Aabar Investment Fund of Abu Dhabi has bought into the Brazilian branch of Banco Santander, investing some 350 million dollars. In October 2010, Qatar Holding followed suit, acquiring a whopping 50% of the same Brazilian bank, which represents an investment of 2 billion dollars.

The agriculture sector has also whetted the appetites of numerous Gulf investors, namely the Al-Dahra Agricultural Company of Abu Dhabi, and above all the Hassan Food and Al-Gharrafa companies of Qatar. Al-Gharrafa has bought stocks in Adecoagro, an agricultural firm present in Argentina, Brazil and Uruguay, whereas Hassan Food has invested in the sugar and chicken farming industries in Brazil.

Conclusion

The Latin American-Arab countries partnership is relatively recent. The first ASPA Summit bringing together the two regions was held in Brasilia in 2005, on the initiative of the Brazilian President,

Lula da Silva. Three more summits have taken place since then.

This South-South partnership is clearly bound to last and expand, given the interdependences evident today

The two regions did not take long in reaping the economic dividends of this diplomatic rapprochement, given that today, their overall trade is estimated at 30-35 billion dollars. Latin America, it is true, is far from rivalling the EU, the Arab countries' top trade partner (350 billion dollars), or China, their second trade partner (240 billion dollars), or even India, their third trade partner (140 billion dollars). But with regard to Arab countries' food and agricultural imports, Latin America is now a major partner. The case of the Arabian Gulf countries, whose food imports from Latin America amount to some 6 billion dollars, amply attests to this.

This South-South partnership is clearly bound to last and expand, given the interdependences evident today. In any case, let us hope that the Middle East turbulence, Latin American instabilities and the rise to power in certain Latin American countries of populist leaders supported by pro-Israeli evangelical trends will not obstruct the paths of the future.