REGIONAL INTEGRATION AND POLITICAL COOPERATION IN LATIN AMERICA

Jorge Heine
Balsillie School of International Affairs, Wilfrid Laurier University


During a visit to Montevideo, on his way to the 2011 Ibero-American Summit in Asunción, Chilean president Sebastián Piñera expressed his frustration with the seemingly never-ending run of Latin American regional summits, “so many that they seem a mountain range.” As he put it: “UNASUR summit, Mercosur summit, Iberoamerican summit, OAS summit, we have many institutions, but lack real will to integrate our continent. . . . We have much bureaucracy in the region, and we need a true will to integrate without fear.”

President Piñera’s statement on what some refer to as cumbritis may not be fully accurate—strictly speaking, meetings of the Organization of American States (OAS) are not summits, as they are attended by foreign ministers, not by heads of state, and the bureaucracy of Latin American summits is remarkably light, as they have no permanent staff but are instead run by the host state—but his point is well taken. Many observers would agree that over the past decade we have witnessed what Monica Hirst has called “anarchical regionalism,” or an “oversupply of spaces, schemes, and regional integration entities,” in Pía Rigirozzi’s phrase:

This makes it difficult not just for presidents to attend all or most meetings, but even for the broad public to disentangle the veritable alphabet soup of acronyms by which these various entities are known. The latest, and in some ways the most ambitious, of these is the Community of Latin American and Caribbean States (CELAC, in the Spanish acronym), which was launched in Cancún, Mexico, in February 2010.3

This serial summitry not only burdens the already-tight schedules of presidents but also, more important, devalues governmental credibility. As such exercises demand, most summits end with a communiqué of sorts, whose long lists of commitments on various topics are mainly breached rather than honored by strict (or even lax) observance. If that is so, why do summits proliferate? And why do otherwise busy leaders keep attending summits whose agendas are at times so thin that some participants abscond before they end?

A standard answer, particularly popular in English media, is that regional summits are mere talk shops concocted by populist leaders who have nothing better to do than to meet at beach resorts and come up with highfalutin statements while their economies go down the drain. This claim bears no relation to the facts: summit inflation has gone hand in hand with strong economic performance. For the first time in two hundred years, global financial crisis has not brought havoc to Latin America. Moreover, CELAC was an initiative of Mexican president Felipe Calderón, a conservative from a signatory of the North American Free Trade Agreement (NAFTA), who won the 2006 election in Mexico in part because of his strong stand against Hugo Chávez. If that is the case, cui bono?

Many interpretations of regional integration and cooperation in Latin America look at today’s developments through yesterday’s lenses and thus miss the underlying dynamics. Extraregional players must take this into account, or they will fail to link up to the complex changes taking place in the region, let alone benefit from them.

DEMOCRACY AND OPEN REGIONALISM

If the dream (some would say pipe dream) of Latin American integration can be traced all the way back to Simón Bolívar, the current push for regional and subregional schemes originates in the 1980s, the handmaiden of democratization in Latin America. Spurred by the success of the European Common Market, regional integration began in Latin America with the establishment of the Latin American Free Market Association (ALALC, in the Spanish acronym), based in Montevideo, in 1960, and then the Andean Pact, based in Lima, in 1969. Military coups and the ensuing juntas soon froze such projects, with Chile’s military regime quitting in 1976 the Andean Pact, an entity that Chile had cofounded. Only after the long
and complex transition to democracy would regional integration again come to the fore.

Thus, the generalized assumption is that there exists a direct, causal relationship between democratization and regionalization. Gian Luca Gardini, who teaches at the University of Bath, sets out to test this assumption and its implications in *The Origins of Mercosur*. Given the sheer size of Argentina and Brazil, its two main members, Mercosur (Common Market of the South)—formally launched with the Asunción Treaty in 1991, and whose other members are Paraguay and Uruguay—is in many ways the most significant of the various regional integration schemes. Mercosur changed the geopolitical dynamics of South America from a competitive, not-always-friendly relationship between traditional rivals Brasilia and Buenos Aires to one of cooperation. Although the long-term effects remain to be seen, its initial impacts are comparable to those that the creation of the Coal and Steel Community, between France and Germany, had on Europe’s geopolitical landscape in the 1950s.

Mercosur has triggered a considerable body of scholarship. Much has dealt with the apparent paradox of the agreement’s initial success in spurring intraregional trade (which grew exponentially until the Brazilian crisis of 1998) and its subsequent stagnation, as well as the lack of progress in institutionalizing a customs union after more than twenty years. Nevertheless, until now, we did not have a theoretically informed, in-depth study of Mercosur’s origins. In Gardini’s words, his “main research question . . . was how to assess the place of democracy in the regionalization process of the Southern Cone” (179).

*The Origins of Mercosur* unpacks this question using extensive interviews with Argentine and Brazilian policy makers, and with negotiators of the many attempts, between 1983 and 1991, to advance bilateral relations between the two nations. Wielding refined theoretical tools, Gardini combines the skills of a comparatist with those of a specialist in international relations and diplomatic history to come up with many surprising and often counterintuitive answers. To start, he shows the inaccuracy of the widespread notion that the rapprochement of Argentina and Brazil was triggered by the return to democracy of both nations. In fact, negotiations started in 1983, when Brazil was still firmly in the grip of military rule under General João Baptista Figueiredo, as a result of an initiative by newly elected President Raúl Alfonsín of Argentina, and at the instigation of his foreign minister, Dante Caputo. Figueiredo was receptive, and the rest, as they say, is history.

A second issue that Gardini explores is the degree to which key democratic actors such as parliaments and civil society (or, more specifically, the business community) played a significant role in furthering regional integration, once the process of building mutual trust and signing agreements had begun. He finds this not to be the case, and finds instead that regional integration was largely an executive-driven process. For all that Alfonsín and José Sarney in the 1980s, and Carlos Saúl Menem and Fernando Collor de Mello in the 1990s, spoke of Mercosur

expressing the democratic will of the people, they played their cards close to the vest and allowed little room for that will to influence regionalization. The paradox is only too apparent.

Gardini’s broader point is that Mercosur was in many ways the harbinger of the “open regionalism” that became a defining feature of the 1990s, “the process of growing economic interdependence at the regional level, spurred both by preferential trade agreements as well as by other policies, in a context of opening up the economies and of deregulation, with the goal of increasing the competitiveness of the countries of the region.” This was very different from the closed regionalism that came of age in Latin America in the 1960s. Whereas the latter started from the premise, intimately tied to import substitution industrialization, that new regional markets had to erect even higher barriers to extraregional trade and investment, the regional integration of the 1990s was part and parcel of the Washington Consensus and the effort to open both national and regional markets to the opportunities offered by a globalized economy.

The year 1990 was thus a turning point for Latin America and the Caribbean. With the return of democracy to Chile, Haiti, and Paraguay, democratization had almost run its full course. The 1982 debt crisis, and the ensuing “lost decade,” signaled the exhaustion of import substitution industrialization as an approach to economic development. In contrast, the end of the Cold War and ongoing economic globalization underlined the need for regional strategies to confront a rapidly changing international scenario. Going it alone would not cut it anymore. This gave new impetus to older schemes of integration such as the Central American Common Market, the Andean Community, and the Caribbean Community (CARICOM) while also giving rise to new ones: Mercosur, the short-lived Group of Three (Colombia, Mexico, and Venezuela), and the Association of Caribbean States (ACS). The creation of NAFTA in 1993, the Summit of the Americas in 1994, and the concomitant announcement of the Free Trade of the Americas (FTAA) project to be realized by 2005 were likewise critical milestones in the unfolding of open regionalism in the Western Hemisphere. Much as closed regionalism had been the handmaiden of import substitution industrialization, open regionalism attended the Washington Consensus, which was so influential in the 1990s.

A NEW MULTILATERALISM

As mostly small or middle-sized powers in a region at the margins of major conflicts in world politics, the nations of Latin America tend to put a premium on a regulated international order that might protect the interests of smaller nations, rather than leaving them at the mercy of the great powers. Not surprisingly, then, the end of the Cold War brought a flurry of multilateral activity to the re-

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gion, much of it outside the traditional institutions and frameworks of the Pan-American system, as newly democratic regimes moved to occupy the new space created by the end of bipolarity.7

One expression of this activity is political cooperation. Several Latin American countries that did not share Washington’s somewhat Manichaean view of the Central American crisis of the 1980s formed the Contadora Group, named for the island off the coast of Panama where the group first met in 1983. This laid the foundations for what came to be known as the Group of Eight, established in 1986, and then the Rio Group in 1990. The latter brought together all the countries of South America plus Mexico, one rotating representative from Central America, and another of CARICOM. With its yearly summits, the Rio Group emerged as perhaps the most significant embodiment of the new multilateralism, although it is now in the process of being replaced by CELAC.

Another expression of the multilateralism that took Latin America by storm in the 1990s were the Ibero-American Summits. Launched in 1992, during the quincentennial of the arrival of Christopher Columbus in the Americas, these were largely designed to enhance communications among Spain, Portugal, and their former colonies. Together with other organizations, each with its own yearly summit, the result has been an overcrowded calendar of meetings and a certain amount of duplication.

This new multilateralism has long been the focus of Francisco Rojas Aravena, secretary-general of the Facultad Latinoamericana de Ciencias Sociales (FLACSO). His Multilateralismo vs. soberanía is part of an ambitious six-volume set on international relations published in 2011.8 This set also includes América Latina y el Caribe: ¿Integrados o marginados?, edited by Josette Altmann Borbón, Francisco Rojas Aravena, and Tatiana Beirute Brealey. The very incisive and up-to-date essays assembled by Rojas Aravena steer an analytical middle ground between editorial commentaries that are dismissive of summit diplomacy, without understanding what summits are about or why they are needed, and the equally unhelpful literature that cheers summit diplomacy on, without grasping its limitations or why it has been so difficult for the intergovernmental bodies in question to progress to full-fledged international institutions.


8. Together with the other volume reviewed in this essay, América Latina y el Caribe, edited by Altmann Borbón, Rojas Aravena, and Beirute Brealey, Rojas Aravena’s Multilateralismo vs. soberanía? is part of an ambitious six-volume set on Latin American international relations published in 2011 by Teseo in Buenos Aires for FLACSO, in conjunction with a number of other entities such as Spain’s Fundación Carolina and the Corporación Andina de Fomento. The set includes Francisco Rojas Aravena and Andrea Alvarez, eds., Gobernabilidad democrática, política, ciudadanía, exclusión, memoria y demografía; Francisco Rojas and Tatiana Beirute, eds., Nuevas formas de cooperación: Las dimensiones Sur-Sur; Josette Altmann, ed., ALBA: Una nueva forma de integración regional?; and Josette Altmann and Tatiana Beirute, eds., Cooperación transfronteriza: De territorios de división a espacios de encuentro. The books provide a very useful and up-to-date overview of some key regional issues, on which the literature available in English is far behind.
The Left and Postliberal Regionalism

To a large degree, the imperatives of globalization have driven the new multilateralism. In his penetrating book *La globalización por dentro*, Raúl Allard, who directs the MA program in international relations at Catholic University in Valparaíso, Chile, brings a lifelong interest in international affairs to this perhaps defining force of our time, paying special attention to the roles of Latin America and of multinational corporations (MNCs), as well as to the rise of Asia. Allard is particularly insightful on the emerging role of Latin American MNCs (or multilatinas) and their complex interaction with their home states. Not surprisingly, he dwells at some length on the particular approach followed by Chile, the only country in the Western Hemisphere that is not a full member of any regional or subregional integration scheme. Chile has instead charted its own path, which has been labeled “lateral” international trade policy, by signing bilateral or plurilateral free trade agreements (FTAs) with as many countries as possible, indeed, fifty-eight as of this writing. Whatever one may think of the impact of FTAs on international trade, there is no question that this approach has worked for Chile. With an average annual growth rate of 5 percent from 1990 to 2010, it has been the fastest-growing economy outside of Asia. Its exports grew more than sevenfold from 1990 to 2007, from US$9 billion to US$67 billion, while attracting a considerable amount of foreign direct investment. Not surprisingly, Chile is often mentioned among the countries in the Global South that has best managed to deal with the challenges of globalization.

As the forces of globalization continued to spread, it nevertheless dawned on much of the region that the *aperturismo ingenuo* of the 1990s, hailed by supporters of the Washington Consensus as the road to nirvana, was no such thing. Opening up, privatizing, and deregulating the economy, while dismantling the state as fast as possible, was not necessarily the best way forward, as Argentina discovered to its chagrin when the whole edifice built by the government of Carlos Menem imploded in 2000–2001.

As Andrés Serbin points out in his fine chapter in *Multilateralismo vs. soberanía*, two forces combined to produce a shift from the open regionalism of the 1990s to the postliberal regionalism of the 2000s. Already in the late 1990s, the FTAA project elicited opposition in both the United States and Latin America. The US Congress proved unwilling to extend fast-track negotiating authority to the White House, which would have allowed it to move quickly on trade agreements with countries such as Chile. And in the region, Brazil started to articulate its own alternative to the FTAA, which eventually emerged as the South American Community of Nations in 2004. The latter brought together Mercosur, the Andean Community, Chile, Guyana, and Suriname, and by 2008, it had morphed into the Union of South American Nations (UNASUR), whose first president pro tempore was Chile’s Michelle Bachelet.

What the FTAA could not do as it derived (*degenerated* might be a more accurate word) into a series of individualized bilateral deals between Washington and various Latin American capitals, UNASUR did, at least for South America. It brought the various subregional schemes of cooperation together under a single umbrella, albeit a political one rather than one with market implications. Yet this does not mean that there were no differences among its members. As Serbin points out, although UNASUR originated in Brazil’s geopolitical designs, it embodied two very different conceptions: the more pragmatic one of Brasilia and the more radical project of Caracas (Rojas Aravena, 74). Venezuela left the Andean Community, of which it had been a founding member, to join Mercosur, not without considerable opposition from the parliaments of various Mercosur members.

The broader point is that a different view of regional integration came to the fore in South America as the Left gained ascendancy with the elections of Hugo Chávez in Venezuela (1998), Luiz Inácio Lula da Silva in Brazil (2002), Néstor Kirchner in Argentina (2003), Evo Morales in Bolivia (2005), and Rafael Correa in Ecuador (2006), partly as a reaction to the excesses of the Washington Consensus. One product is the Alternativa Bolivariana de las Américas (ALBA), an initiative launched by Venezuela in 2004 with an agreement between it and Cuba. This group, whose main features Altmann Borbón lays out well in *América Latina y el Caribe*, has since been joined by Nicaragua; Ecuador; Bolivia; and (improbably) by the CARICOM members Antigua, Barbuda, Dominica, and St. Vincent and the Grenadines. Honduras also joined briefly but withdrew in January 2010. More than a scheme of regional integration, ALBA is above all a tool to promote Venezuela’s influence by making oil available at discounted rates, a powerful magnet in tough economic times. At a time when US international cooperation programs in the Americas are at all-time lows and are mostly focused on security, the notion that it is somehow unseemly for the poorer nations of South America, Central America, and the Caribbean to accept Venezuelan oil at discounted prices strikes most observers as odd.

Despite this fragmented picture of overlapping acronyms, schemes, and interests, there is little doubt that the forces of convergence have prevailed over those of divergence. The launch of the Latin American and Caribbean Community of Nations in 2010 is proof of this. Mexico, Chile, and Colombia are as much members of this body as are Venezuela, Bolivia, and Ecuador. Collective diplomacy, political cooperation, and a regional vision are very much the order of the day, transcending ideological differences. As may be seen in its reaction to the coup in Honduras in June 2009, a lack of understanding of this strong multilateral component in the foreign policies of Latin American nations lies at the root of the difficulties that the administration of US president Barack Obama has faced in the region, despite

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the enormous expectations raised there by his election. By imposing a unilateral solution that in effect condoned the coup, against the express wishes of the OAS and the overwhelming majority of Latin American governments, the United States squandered its influence in Latin America. Inter-American relations have gone downhill ever since, with the US ambassadors to Ecuador and to Mexico being forced to leave their posts in quick succession in 2011.

THE IDEA OF DEMOCRACY AND THE BIRTH OF MERCOSUR

This returns us to the question of democracy and Mercosur. If, as Gardini maintains in his pathbreaking book, parliament and civil society did not do much to bring Argentina and Brazil together to launch Mercosur, what was the actual role of democracy in this process? It is here that Gardini’s fine-grained analysis excels. By focusing on the idea of democracy, as opposed to democratic practices, Gardini elaborates, step by step, a complex explanation that combines many strands of international relations theory: Robert Jervis’s distinction between signals and indices in foreign policy behavior, Alexander Wendt’s thoughts on how identities are constructed in the interaction of states, and Judith Goldstein and Robert O. Keohane’s work on the impact of ideas on foreign policy.13 Space does not allow a reconstruction of this complex argument; suffice it to say that Gardini shows that the “democratic idea” suffused the worldviews, principled beliefs, and causal beliefs cataloged by Goldstein and Keohane, so as to push Mercosur forward.

The key, for Gardini, is therefore not the specific democratic tools that were deployed to further subregional integration but how the democratic idea provided a road map to move forward. This idea gave the leaders of Brazil and Argentina a Weltanschauung, a worldview in which the good life is lived under democratic institutions, a view not shared, needless to say, by their authoritarian predecessors in uniform. The constant association in their pronouncements of a principled belief in democracy with regional integration also had a significant role in building public opinion in favor of Mercosur. Yet in the end, causal beliefs may have been decisive. As Gardini puts it: “Integration, it was felt, was the appropriate instrument to consolidate democracy and promote modernization and development. This is a slightly more sophisticated but far more accurate theoretical con-
ceptualization than the one merely considering democracy as a goal and integration as a means” (164).

Thomas Legler emphasizes that the autonomy and additional space won by many countries in Latin America during the past decade through regional integration and political cooperation puts them in a privileged position to carve out a much higher profile in international affairs (Rojas Aravena, 23). The question is whether they will be able to make the transition from success in domestic governability, at least in South America, to international governance, whose structures are needed to meet regional and global challenges, be they transnational crime, climate change, or the drug trade. As Serbin notes, the rise of “anarchical regionalism” hand in hand with growing assertions of national sovereignty is in some ways encouraging; however, it does not necessarily bode well for the complex yet unavoidable transition that Latin America must undergo if it wants to play the role it might in the new international order (Rojas Aravena, 92–93).

All of these readable, informative, and up-to-date books, among which Gardini’s stands out for its theoretical sophistication and empirical richness, remind us that Latin American countries in general, and South American ones in particular, while putting their own internal houses in order, have also built a textured, complex regionalism that puts them in a stronger position to take on the challenges of globalization in the new century.