

# THE POLITICS OF REGIONAL INTEGRATION IN LATIN AMERICA

Theoretical and Comparative Explorations

OLIVIER DABÈNE



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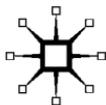
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# The Politics of Regional Integration in Latin America

## Theoretical and Comparative Explorations

Olivier Dabène

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*To Mili*  
*Twenty-five and there's so much more*

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## ACKNOWLEDGMENTS

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## AND PREFACE

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My interest for regional integration processes in Latin America grew out of dissatisfaction. During the 1980s and 1990s, as I was studying the evolution of political regimes, I found that most scholarly efforts in the fields of “transitology” undervalued the simultaneity of the changes, except for rare mentions of a “snowballing effect,” and the fact that the time of democratization was also a time of reactivation of regional integration. In the particular case of Central America, the crisis resolution efforts were studied without considering the isthmus’ long experience in regional integration. The literature, in one word, was dramatically missing a “linkage politics” perspective.<sup>1</sup>

Putting these evolutions in time perspective, I realized that Latin America had experienced several waves of political change during the twentieth century that had not received sufficient attention. I tried to describe and explain such waves of collective political change in two books,<sup>2</sup> with the firm intention to later consider regional integration as a dependant variable. When I started, I noticed that many works on regional integration were missing the political dimensions. I then decided to systematically explore the politics of regional integration, focusing in particular on the motives of the integration entrepreneurs, the institutions built and the policy outcomes they deliver. I soon realized that the investigation was not an easy one, as the sources were scarce and many studies were normative. As Peter Smith puts it, “contemporary discussions have tended to be economic in substance, technocratic in tone, and imprecise in argument.”<sup>3</sup>

This book is the product of different research conducted in the past twenty years, in Central America, the Southern Cone, and the Andean region. It does not offer a comprehensive vision of Latin American

integration, but rather invites the reader to a theoretical and comparative exploration. Its ambition is to nurture the debates, and certainly not to close them with a definitive proposal of interpretation. This is the academic posture we defend and work on in the Political Observatory of Latin America and the Caribbean (OPALC) we are developing at Sciences Po, Paris.<sup>4</sup>

This book could not have been achieved without the kind assistance of many officials, colleagues, and friends throughout the continent who greatly facilitated my field observations in the past two decades and patiently answered my stubborn questions. Thanks to them, I was privileged to have access to insights and unpublished, often confidential, documents. I also had the opportunity to test many of my ideas during a number of seminars and workshops in Europe and the Americas, and as a professor I received great feedback from my graduate students in Latin America, Spain, and France. I warmly acknowledge the contribution of them all and send them a *fuerte abrazo* hoping to have many more opportunities to discuss the complex issues of regional integration with them. I would also like to thank Leo Schwartz and Miriam Perier for their wonderful editing job on the manuscript.

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## ACRONYMS<sup>5</sup>

ACCP:	Assembly of Caribbean Community Parliamentarians
ACELCO:	Acción del Consumidor (Consumers' Action)
ACS:	Association of Caribbean States
ALADI:	Asociación Latinoamericana de Integración (Latin American Integration Association)
ALALC:	Asociación Latinoamericana de Libre Comercio (Latin American Free Trade Association)
ALBA:	Alternativa Bolivariana para las Américas (Bolivarian Alternative for the Americas)
ALIDES:	Alianza para el Desarrollo Sostenible (Alliance for Sustainable Development)
AMFIM:	Asociación de Municipios de Frontera Integrados del MERCOSUR (Association of MERCOSUR Integrated Borders' Cities)
ANONG:	Asociación de Organizaciones No Gubernamentales de Uruguay (Uruguayan Association of Non-Governmental Organizations)
APRA:	Alianza Popular Revolucionaria Americana (American Popular Revolutionary Alliance)
ARP:	Asociación Rural del Paraguay (Rural Association of Paraguay)
ASOCODE:	Asociación de Organizaciones Campesinas Centroamericanas para la Conservación y el Desarrollo (Central American Peasants Association for Cooperation and Development)
AUDU:	Agrupación Universitaria del Uruguay (University Group of Uruguay)

AUGM:	Asociación de Universidades Grupo de Montevideo (Association of Universities Group of Montevideo)
AUPRICA:	Asociación de Universidades Privadas de Centroamérica (Association of Central American Private Universities)
BCIE:	Banco Centroamericano de Integración Económica (Central American Bank for Economic Integration)
BID:	Banco Interamericano de Desarrollo (IADB: Inter-American Development Bank)
CACEC:	Central American Commission for Education and Culture
CACI:	Comité Centroamericano de Coordinación Intersectorial (Central American Intersectoral Co-ordination Committee)
CAF:	Corporación Andina de Fomento (Andean Development Bank)
CAFTA:	Central American Free Trade Agreement
CAN:	Comunidad Andina de Naciones (Andean Community of Nations)
CAP:	Common Agricultural Policy
CAPRE:	Comité Coordinador de Instituciones de Agua Potable y Saneamiento de Centroamérica (Central American Co-ordination Committee for Drinkable Water)
CARCO:	Camara Argentina de Comercio (Argentine Chamber of Commerce)
CARDI:	Caribbean Agricultural Research and Development Institute
CARICAD:	Caribbean Center for Development Administration
CARICOM:	Caribbean Community
CARIFTA:	Caribbean Free Trade Association
CARIPEDA:	Caribbean Peoples Development Agency
CAT:	Confederación Argentina de Trabajadores (Argentine Confederation of Workers)
CBD:	Convention on Biological Diversity
CBI:	Caribbean Basin Initiative
CBTPA:	Caribbean Basin Trade Partnership Act
CCAD:	Comisión Centroamericana de Ambiente y Desarrollo (Central America Commission on Environment and Development)

CCC-CA:	Confederación de Cooperativas del Caribe y Centroamérica (Confederation of Cooperatives from Central America and the Caribbean)
CCCCC:	Caribbean Community Climate Change Center
CCE:	Comité de Cooperación Económica (Committee for Economic Cooperation)
CCHAC:	Comité de Coordinación de Hidrocarburos de América Central (Central American Committee for Oil Cooperation)
CCJ:	Caribbean Court of Justice
CCM:	Comisión de Comercio del MERCOSUR (MERCOSUR Trade Commission)
CCP:	Comisión Centroamericana Permanente para la Erradicación de la Producción, Tráfico, Consumo y Uso Ilícito de Estupefacientes y Sustancias Psicotrópicas (Permanent Central American Commission against Drug Trafficking)
CCSCS:	Coordinadora de Centrales Sindicales del Cono Sur (Southern Cone Coordination of Unions)
CCT:	Confederación Centroamericana de Trabajadores (Central American Confederation of Workers)
CCVAH:	Consejo Centroamericano de Ministros de Viviendo y Asentamientos Humanos (Central American Council for Housing and Settling)
CDB:	Caribbean Development Bank
CDREA:	Caribbean Disaster Emergency Response Agency
CEC:	Commission for Environment Co-operation
CECON:	Comisión Especial de Consulta y Negociación (Special Commission for Consultation and Negotiation)
CEHI:	Caribbean Environmental Health Institute
CENPROMYPE:	Centro para la Promoción de la Micro y Pequeña Empresa en Centroamérica (Center for the Promotion of Small and Medium Size Business)

CEPAL:	Comisión Económica para América Latina y el Caribe (Economic Commission for Latin America and the Caribbean)
CEPREDENAC:	Centro de Coordinación para la Prevención de los Desastres Naturales en América Central (Coordination Center for the Prevention of Natural Disasters in Central America)
CEPUCA:	Confederación de Entidades Profesionales Universitarias de Centroamérica (Central American Confederation of Professional University Entities)
CESCA:	Comunidad Económica y Social de Centroamérica (Central American Economic and Social Community)
CET:	Common External Tariff
CFC:	Caribbean Food Corporation
CFNI:	Caribbean Food and Nutrition Institute
CFR-SICA:	Consejo Fiscalizador Regional del SICA (SICA General Accounting Office)
CGT:	Confederación General de Trabajo (General Confederation of Labor)
CGT:	Confederação Geral dos Trabalhadores (General Confederation of Workers)
CICA:	Consejo Indígena de Centroamérica (Indigenous Council of Central America)
CIM:	Comisión Industrial del MERCOSUR (MERCOSUR Industrial Council)
CIMH:	Caribbean Institute for Meteorology and Hydrology
CIP:	Centro de Importaciones de Paraguay (Paraguay's Center of Importers)
CIU:	Cámara de Industrias del Uruguay (Uruguayan Chamber of Industry)
CLAT:	Central Latinoamericana de Trabajadores (Latin American Central of Workers)
CLC:	Commission for Labor Cooperation
CLE:	Council of Legal Education
CLI:	Caribbean Law Institute
CMC:	Comisión del Mercado Común (Council of the Common Market)
CMI:	Caribbean Meteorological Institute

CMO:	Caribbean Meteorological Organization
CMPI:	Consejo Mundial de Pueblos Indígenas (World Council of Indigenous Peoples)
CMS:	Caribbean Meteorological Service
CNA:	Confederação da Agricultura e Pecuária do Brasil (Brazilian Confederation of Agriculture and Cattle industry)
CNC:	Confederação Nacional do Comércio (National Confederation of Commerce)
CNI:	Confederação Nacional da Indústria (National Confederation of Industries)
CNIRD:	Caribbean Network for Integrated Rural Development
CNT:	Confederação Nacional do Transporte (National Confederation of Transport)
COCATRAM:	Comisión Centroamericana de Transporte Marítimo (Central American Commission for Maritime Transport)
COCECA:	Consejo Centroamericano Campesino (Central American Peasant Council)
COCESNA:	Corporación Centroamericana de Servicios de Navegación Aérea (Central America Corporation of Air Navigation Services)
COCISS:	Consejo Centroamericano y República Dominicana de Instituciones de Seguridad Social (Central American Council of Social Security Institutes)
CODESUL:	Conselho de Desenvolvimento e Integração Sul (Council for the Development and Integration of the South)
CODICADER:	Consejo del Istmo Centroamericano de Deportes y Recreación (Central American Council for Sports)
COMECON:	Council for Mutual Economic Assistance
COMTELCA:	Comisión Técnica Regional de Telecomunicaciones de Centroamérica (Regional Technical Commission for Telecommunications in Central America)
CONCADECO:	Consejo Centroamericana de Protección al Consumidor (Central American Council for Consumer's Protection)

CONCAPE:	Confederación Centroamericana de la Mediana y Pequeña Empresa (Central American Confederation of Small and Medium-Sized Business)
CONCATEC:	Consejo Centroamericano de Trabajadores de la Educación y la Cultura (Central American Council of Education and Culture Workers)
CONCAUSA:	Conjunto Centroamérica-USA (Central America-United States of America Joint Accord)
CONCENTRA:	Coordinadora Centroamericana de Trabajadores (Central American Coordination of Workers)
CONDECA:	Consejo Centroamericano de Defensa (Central American Defense Council)
CONFEPESCA:	Confederación de Pescadores Artesanales de Centroamérica (Central American Confederation of Small Fishermen)
CONMEBOL:	Confederación Sudamericana de Fútbol (South American Confederation of Football)
COOPERAR:	Confederación Cooperativa de la República Argentina (Argentine Confederation of Cooperatives)
COPA:	Confederación de Parlamentos de las Americas (Parliamentary Confederation of the Americas)
CORECA:	Consejo Agropecuario Centroamericano (Regional Council for Cooperation in Agriculture in Central America)
CO. SUP. EM.:	Consejo Superior Empresarial (Superior Council of Business)
COTA:	Caribbean Organization of Tax Administration
CPC:	Comisión Parlamentaria Conjunta (Joint Parliamentary Commission)
CPDC:	Caribbean Policy Development Center
CRECENEA Litoral:	Comisión Regional de Comercio Exterior del Noreste Argentino y el Litoral (North East and Coastal Region Commission for External Trade)
CRFM:	Caribbean Regional Fisheries Mechanism

CRICAP:	Consejo Registral Inmobiliario de Centroamérica y Panamá (Council of Property Registrars of Central America and Panama)
CROSQ:	CARICOM Regional Organization for Standards and Quality
CRPM:	Comisión de Representantes Permanentes del MERCOSUR (MERCOSUR Commission of Permanent Representatives)
CRRH:	Comité Regional de Recursos Hidráulicos (Regional Committee for Hydraulic Resources)
CSCAC:	Coordinadora Sindical de Centroamérica y Caribe (Union Coordination of Central America and the Caribbean)
CSUCA:	Consejo Superior Universitario Centroamericano (Central American Council for Higher Education)
CTCA-ORIT:	Confederación de Trabajadores de Centroamérica (Confederation of Central American Workers)
CTCAP:	Comisión para el Desarrollo Científico y Tecnológico de Centroamérica (Commission for the Development of Science and Technology in Central America)
CTU:	Caribbean Telecommunication Union
CUDECOOP:	Confederación Uruguaya de Entidades Cooperativas (Uruguayan Confederation of Cooperatives)
CUSTA:	Canadian-U.S. Trade Agreement
CUT:	Central Única dos Trabalhadores (Unitary Central of Workers)
CXT:	Caribbean Examinations Council
DR CAFTA:	Dominican Republic–Central American Free Trade Agreement
EAI:	Enterprise for the Americas Initiative
EAPCA:	Economic Action Plan for Central America
EC:	Executive Commission
ECCM:	East Caribbean Common Market
ECLA:	Economic Commission for Latin America and the Caribbean
ECSC:	European Coal and Steel Community
EDC:	European Defense Community
EEC:	European Economic Community

EFC:	Economy and Finance Commission
ERDF:	European Regional Development Fund
ESAPAC:	Escuela Superior de Administración Pública para Centroamérica (Advanced School of Public Administration for Central America)
ESF:	European Social Fund
EU:	European Union
FCCR:	Foro Consultivo de Municipios, Estados Federados, Provincias y Departamentos del MERCOSUR (MERCOSUR Consultative Forum of Cities, Federated States, Provinces, and Departments)
FCES:	Foro Consultivo Económico y Social (Economic-Social Forum)
FECABOLSA:	Federación Centroamericana, Panamá y el Caribe de Puestos de Bolsas (Central American Federation of Trade Centers)
FECAICA:	Federación de Cámaras y Asociaciones Industriales Centroamericanas (Central American Federation of Chambers and Associations of Industry)
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FEDEPRODIS:	Federación Red Pro Personas con Discapacidad (Federation Network in Favor of Handicapped Persons)
FEM:	Fondo de Financiamiento del Sector Educativo del MERCOSUR (MERCOSUR Fund for Education)

FEMICA:	Federación de Municipios del Istmo Centroamericano (Central American Federation of Municipalities)
FENASEG:	Federação Nacional das Empresas de Seguros Privados e de Capitalização (National Federation of Private Insurance Companies)
FIESP:	Federação das Indústrias do Estado de São Paulo (Federation of Industries from the State of Sao Paulo)
FIPA:	Foro Interparlamentario de las Americas (Inter-Parliamentary Forum of the Americas)
FLAR:	Fondo Latinoamericano de Reservas (Latin American Reserve Fund)
FMIC:	Federación de Mujeres para la Integración Centroamericana (Women Forum for Central American Integration)
FOCEM:	Fondo de Convergencia Estructural del MERCOSUR (Fund for the Structural Convergence of MERCOSUR)
FS:	Força Sindical (Union Force)
FS:	Asociación Latinoamericana de Pequeños Caficultores. Frente Solidario (Latin American Association of Small Café Producers. Solidarity Front)
FTA:	Free Trade Agreement
FTAA:	Free Trade Area of the Americas
FTASA:	Free Trade Area of South America
FUNDEHUCA:	Fundación para la Defensa de los Derechos Humanos en Centroamérica (Central American Foundation for the Defense of Human Rights)
FUSADES:	Fundación Salvadoreña para el Desarrollo Económico y Social (Salvadorian Foundation for Economic and Social Development)
G3:	Group of Three
GANASIM:	Grupo de Alto Nivel para la Superación de las Asimetrías en el MERCOSUR (High Level Group for Overcoming Asymmetries in the MERCOSUR)

GANCEFI:	Grupo de Alto Nivel sobre Convergencia Estructural en el MERCOSUR y Financiamiento del Proceso de Integración (High Level Group on Structural Convergence and Integration Financing)
GDP:	Gross Domestic Product
GMC:	Grupo Mercado Común (Common Market Group)
GRAN:	Grupo Andino (Andean Pact)
IADB:	Inter-American Development Bank
ICA:	Institute for Connectivity in the Americas
ICAITI:	Instituto Centroamericano de Investigación y Tecnología Industrial (Central American Institute of Research and Industrial Technology)
ICCAR:	International Conference on Central American Refugees
ICIC:	Iniciativa Civil para la Integración de Centroamérica (Civil Initiative for Central American Integration)
IICA:	Inter-American Institute for Cooperation on Agriculture
IIRSA:	Iniciativa para la Integración de la Infraestructura Regional Suramericana (Initiative for Integration of Regional Infrastructure in South America)
ILO:	International Labor Office
IMF:	International Monetary Fund
IMPACS:	CARICOM Implementation Agency for Crime and Security
INCAP:	Instituto Centroamericano de Administración Pública (Central American Institute of Public Administration)
IOM:	International Organization for Migration
IVFC:	International Verification and Follow-up Commission
MAI:	Multilateral Agreement on Investments
MCCA:	Mercado Común Centroamericano (Central American Common Market)
MERCOSUR:	Mercado Común del Sur (Common Market of the South)
MNR:	Movimiento Nacional Revolucionario (Nation Revolutionary Movement)

NAFTA:	North American Free Trade Agreement
NATO:	North Atlantic Treaty Organization
NGO:	Nongovernmental Organization
NRC:	National Reconciliation Commission
OAS:	Organization of American States
OCAM:	Comisión Centroamericana de Directores de Migración (Central American Organization for Migration)
OCAVI:	Observatorio Centroamericano sobre Violencia (Central American Observatory of Violence)
OCB:	Organização das Cooperativas Brasileiras (Brazilian Cooperatives Organization)
OCCEFS:	Organización Centroamericana y del Caribe de Entidades Fiscalizadoras Superiores (Organization for the Superior Audit Institutions of Central America and the Caribbean)
ODECA:	Organización de Estados Centroamericanos (Organization of Central American States)
OECD:	Organization for Economic Cooperation and Development
OECS:	Organization of Eastern Caribbean States
ONECA:	Organización Negra Centroamericana (Black Central America Organization)
ONUCA:	United Nations Observer Group in Central America
OPALC:	Observatorio Político de América Latina y el Caribe (Political Observatory of Latin America and the Caribbean)
OPAS:	Organismo Panamericano de la Salud (Pan-American Health Organization)
OPESCA:	Organización del Sector Pesquero y Acuícola del Istmo Centroamericano (Central American Organization for Fishing Activities)
ORAS:	Organismo Andino de Salud (Andean Health Organization)
OTCA:	Organización del Tratado de Cooperación Amazónico (Amazon Cooperation Treaty Organization)
PAHO:	Pan American Health Organization

PAL:	Partido Autonomista Liberal (Liberal Autonomist Party)
PARLACEN:	Parlamento Centroamericano (Central American Parliament)
PARLAMAZ:	Parlamento Amazónico (Amazon Parliament)
PARLANDINO:	Parlamento Andino (Andean Parliament)
PARLATINO:	Parlamento Latino Americano (Latin American Parliament)
PDT:	Partido Democrático Trabalhista (Democratic Worker Party)
PFL:	Partido da Frente Liberal (Liberal Front Party)
PIA:	Parlamento Indígena de America (Indigenous Parliament of America)
PIDS:	Plan Integral de Desarrollo Social (Integral Plan for Social Development)
PIT-CNT:	Plenario Intersindical de Trabajadores – Convención Nacional de Trabajadores (Inter-union Plenary of Workers—National Convention of Workers)
PJ:	Partido Justicialista (Peronist Party)
PMDB:	Partido do Movimento Democrático Brasileiro (Party of the Brazilian Democratic Movement)
PN:	Partido Nuevo (New Party)
POP:	Protocolo de Ouro Preto (Protocol of Ouro Preto)
PP:	Partido Progressista (Progressive Party)
PPHCAP:	Priority Plan for Health in Central America and Panama
PPP:	Plan Puebla Panamá (Puebla Panama Plan)
PRI:	Partido Revolucionario Institucionalizado (Institutionalized Revolutionary Party)
PSDB:	Partido da Social Democracia Brasileira (Brazilian Social Democratic Party)
PT:	Partido dos Trabalhadores (Workers Party)
REPAHA:	Regional Center for the Education and Training of Animal Health and Public Health Assistants
ROCAP:	Regional Office for Central America and Panama
SAI:	Sistema Andino de Integración (Andean System of Integration)

SAM:	Secretaría Administrativa del MERCOSUR (MERCOSUR Administrative Secretariat)
SAT:	Sector de Asistencia Técnica (Technical Assistance Sector)
SC:	Security Commission
SE-CCAD:	Secretaría Ejecutiva de la Comisión Centroamericana de Ambiente y Desarrollo (Central American Environment and Development Commission's Executive Secretary)
SE-CEAC:	Secretaría Ejecutiva del Consejo de Electrificación de América Central (Electricity Central American Council's Executive Secretary)
SE-CMCA:	Secretaría Ejecutiva del Consejo Monetario Centroamericano (Central American Monetary Council's Secretary)
SELA:	Sistema Económico Latino-Americano (Latin American Economic System)
SG-CAC:	Secretaría General del Consejo Agropecuario Centroamericano (Central American Agricultural Council's General Secretary)
SG-CEEC:	Secretaría General de la Coordinación Educativa y Cultural Centroamericana (General Secretary for Coordination of Education and Culture in Central America)
SGT:	Sub-Grupo de Trabajo (Working Group)
SICA:	Sistema de la Integración Centroamericana (Central American System of Integration)
SIECA:	Secretariado de la Integración Económica Centroamericana (Central American Economic Integration Secretariat)
SIRG:	Summit Implementation Review Group
SISCA:	Secretariado de la Integración Social Centroamericana (Secretariat for Central American Social Integration)
SITCA:	Secretaría de la Integración Turística Centroamericana (Secretary of Central American Integration of Tourism)
SRA:	Sociedad Rural Argentina (Argentina's Rural Society)
TCP:	Tratado de Comercio de los Pueblos (Trade Agreement of the Peoples)

TIFA:	Trade and Investment Framework Agreement
TRIPS:	Trade-Related Aspects of Intellectual Property Rights
UCR:	Unión Cívica Radical (Radical Civic Union)
UIA:	Unión Industrial Argentina (Argentina Industrial Union)
UIP:	Unión Industrial Paraguaya (Paraguayan Industrial Union)
ULAC:	Universidad Latino-Americana y del Caribe (University of Latin America and the Caribbean)
UNASUR:	Unión de Naciones Sur Americanas (South American Union of Nations)
UNHCR:	United Nations High Commissioner for Refugees
UNO:	United Nations Organization
UNTF:	Unidad Nacional Técnica del FOCEM (FOCEM National Technical Unit)
UPROCAFE:	Unión de Medianos y Pequeños Productores de Café de México, Centroamérica y el Caribe (Union of Small and Medium-Sized Café Producers of Mexico, Central America and the Caribbean)
UTF/SM:	Unidad Técnica FOCEM de la Secretaría del MERCOSUR (FOCEM Technical Unit of the MERCOSUR Secretariat)
USAID:	United States Agency for International Development
WHO:	World Health Organization
WTO:	World Trade Organization

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P A R T 1

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*Introduction*

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## CHAPTER ONE

### *Historical and Theoretical Guideline*

Uncertainty and indeterminacy seem to be the names of the game. Latin American experiences with regional integration and regionalism have been unstable and, according to “Europeanized” common sense, unsuccessful. Yet without a doubt, Latin America is the “other” continent with a long tradition of modern regional integration, dating back to the post–World War II era. As early as 1948, the Central Americans organized a functional cooperation in the realm of higher education, with the creation of the Central American Council for Higher Education (CSUCA). Then in 1951 they formed the Organization of Central American States (ODECA), and in 1958 they went on to sign a multilateral treaty of economic integration. In the rest of the continent, the 1960s witnessed a first wave of agreements, with the Latin American Free Trade Association (ALALC, 1960), the Caribbean Free Trade Association (CARIFTA, 1965), and later the Andean Pact (GRAN, 1969). In 1973, CARIFTA became the Caribbean Community (CARICOM) but elsewhere the 1970s were a decade of crisis and stalemate. A second wave of agreements built up in the 1990s, most notably with the Common Market of the South (MERCOSUR, 1991) and the North American Free Trade Agreement (NAFTA, 1994).

Going back further in history, we would see that the reference to an imagined united Latin America has been recurrent ever since the continent gained its independence at the beginning of the nineteenth century. Throughout this period, Central America has made at least twenty-five attempts to reunite and twice, in 1907 and 1942, planned to unify its education systems.

This “other” continent of regional integration today offers a very rich picture, with five major regional groupings in North America

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(NAFTA), Central America (Central American System of Integration, SICA), the Caribbean (CARICOM), the Andes (Andean Community of Nations, CAN), and the Southern Cone (MERCOSUR). The different countries of the Hemisphere are also tied up by a myriad of bilateral and multilateral agreements, and to make things even more complicated the global architecture is constantly evolving, as some competing interregional projects are discussed (Free Trade Area of the Americas, FTAA; Bolivarian Alternative for the Americas, ALBA; South American Union of Nations, UNASUR). The regional integration processes also suffers recurrent crises and reactivations. Consider two examples, the Andean Community (CAN) went through four major crises in thirty years, each one being a motive of dark predictions about its future. In 1976, seven years after the onset of the integration process, Chile left the group. Then in 1986, the debt crisis paralyzed the progress of trade liberalization, and between 1991 and 1994, Peru stepped back from the Custom Union, in the midst of Fujimori's authoritarian drift. Finally in 2006 it was the revolutionary Venezuelan president Hugo Chávez's turn to abandon the CAN. Each crisis has been followed by a reactivation, putting the process on a new path more or less every ten years. Central America, once considered "the underdeveloped world's most successful regional integration effort"<sup>1</sup> because of an impressive growth of intraregional trade between 1960 and 1965, has suffered numerous setbacks and crisis during the second half of the 1960s. Wynia recalls that

since 1966 administrators have faced annual threats of withdrawal and numerous unilateral violations of regional treaties. For example, in 1966 the Hondurans threatened withdrawal until they were granted special treatment under the regional industrial incentive agreements and in 1967 Costa Rica precipitated a minor crisis when it enacted a dual exchange rate. In 1968 the frustrated administrators of the SIECA (Central American Economic Integration Secretariat) confronted another serious challenge when the Nicaraguans defied regional accords by unilaterally promulgating internal consumption taxes on common market goods to relieve their fiscal problems. Consequently, the task of holding the integrative structure together, not expansion, has been the principal concern of its leadership since its initial achievements of the early sixties.<sup>2</sup> During its shorter history, MERCOSUR has also been muddling through great difficulties, as have SICA and CARICOM.

Against this backdrop, it is no surprise that scholars have had trouble capturing such a complex reality. Prefacing an interesting collection of essays, Leon Lindberg and Stuart Scheingold confessed in 1971 a sense of perplexity, mentioning that they were “in search of an increasingly elusive dependent variable.”<sup>3</sup> Ten years later, revising a series of books on Latin American integration, Axline pointed out that “one of the most remarkable features of Latin American regional integration has been its capacity to survive and remain active and dynamic in the face of numerous obstacles, shortcomings, and failures.”<sup>4</sup> Almost three decades later, this assessment remains remarkably valid. The impressive reactivation of regional integration during the first half of the 1990s had lost steam as the twentieth century came to an end and the progress made was reversed as the Continent entered the twenty-first one. The new and very promising MERCOSUR faced a severe challenge with the 2001 Argentine crisis, while the Central Americans decided to negotiate separate Free Trade Agreements with the United States, and the Andeans were weakened by the Venezuelan defect. Yet, the MERCOSUR quickly recovered, Central America opened a collective negotiation with the European Union and the Andean Community managed to welcome back Chile as an associate member.

All these ups and downs make the exercise of theorization and prediction very risky and are an invitation to modesty. They also pinpoint one of the mysteries any inquiry about integration in Latin America should try to unveil: consistency despite instability, resilience despite crises.<sup>5</sup>

We will bump into more intrigues later in this introduction, but before I even proceed to give some indications on how this book intends to study regional integration in Latin America, it is necessary to clarify what I am going to talk about, do some conceptual benchmarking, and give some definitions.

### In Search of a Definition

Some authors have defined integration in very simple, logical, and therefore acceptable terms as “A process of bringing or combining parts into a whole.”<sup>6</sup> Nevertheless, based on European experience, classical definitions of integration have tended to put the emphasis on a method, the way states relinquish parcels of sovereignty and aggregate political authority, and an objective, conflict resolution and peace-building. As Haas puts it: “The study of regional integration is concerned with

explaining how and why states cease to be wholly sovereign, how and why they voluntarily mingle, merge, and mix with their neighbors so as to lose the factual attributes of sovereignty while acquiring new techniques for resolving conflict between themselves.”<sup>7</sup>

Most of the founding fathers of regional integration’s classical theory were basically concerned with exploring ways of pacifying international relations. Some more recent scholars have added a concern about market forces. For Walter Mattli, for instance, “Integration is defined as the voluntary linking in the economic domain of two or more formerly independent states to the extent that authority over key areas of domestic regulation and policy is shifted to the supranational level.”<sup>8</sup> The ends have changed, but the definition remains centered on states relinquishing sovereignty.

As for realists like Stanley Hoffman, they questioned that there could be a “beyond the Nation-State” and preferred to look at regional groups as international regimes hence they did not need a definition of regional integration.<sup>9</sup> Raymond Aron was quite cynical about what he called “clandestine federalism,” referring to the wishful thinking of theorists who considered that a common market would “magically” lead to political integration.<sup>10</sup> In short, Haas and his colleagues focused on the states’ pooling of, or ceding sovereignty, and so did the realists, although the functionalists and the realists admittedly diverge radically on the way they gauged the “fate of the Nation-State.”

Other scholars paid more attention to non-state actors. To be sure, Haas was initially concerned with the way “actors in several distinct national settings are persuaded to shift their loyalties, expectations, and political activities toward a new and larger center, whose institutions possess or demand jurisdiction over the pre-existing national states,”<sup>11</sup> but he later focused almost exclusively on governments. It was Karl Deutsch and his team who adopted a more sociological definition, referring to regional integration as the “attainment, within a territory, of a ‘sense of community’ and of institutions and practices strong enough and widespread enough to assure, for a ‘long’ time, dependable expectations of ‘peaceful change’ among its population.” And by “sense of community,” he meant “a belief on the part of individuals in a group that they have come to agreement on at least this one point: that common social problem must and can be resolved by process of ‘peaceful change.’”<sup>12</sup> Donald Puchala also adopted a sociological approach, considering regional integration as “the merger of peoples into a transnational society and polity.”<sup>13</sup> Although in a seminal 1972 piece of work, he complained that “more than fifteen years of

defining, redefining, modeling and theorizing have failed to generate satisfactory conceptualizations of exactly what it is we are talking about when we refer to 'international integration.'<sup>14</sup> He dared to define international integration as "A set of processes that produce and sustain a Concordance System at the international level." A concordance system he explained as "An international system wherein actors find it possible to harmonize consistently their interests, compromise their differences and reap mutual rewards from their interactions."<sup>15</sup> Bruce Russett also emphasized not just collective war-avoidance strategies but more broadly mutual problem solving. The process of integration was for Russett "the process of building capacities for responsiveness relative to the loads put on the capabilities."<sup>16</sup> In a similar vein, Leon Lindberg posited that "political integration can be defined as the evolution over time of a collective decision-making system among nations."<sup>17</sup>

These few classical definitions are interesting because they indicate that since the beginning scholars have been concerned both with what we will call integration from above and from below. Indeed, as we shall see in a moment, integration is not only about formal institutions or governments negotiating some kind of dispute settlements or trying to foster commercial ties; it is also about communities or civil societies interacting on a transnational and most of the time informal basis.

Are some of these classical definitions fit to travel to Latin America? Do they accurately help to describe what we are witnessing in this continent? Do they even help to raise good questions? There is wide scope to doubt that. Let me make two quick points. To begin with, Latin America being a relatively pacified continent, the motives to initiate an integration process can hardly be found in a common will to build peace or prevent war. Although we will have the opportunity to discuss this point in more detail referring to Central America or MERCOSUR, the linkage between regional integration and peace-building is not relevant as regards Latin America. Furthermore, despite the fact that some states in Latin America did agree at some point to build institutions with supranational powers, imitating the European ones, they would never really have accepted losing control of the integration process. Therefore, the question is not so much how and why states cease to be wholly sovereign, but rather how and why deciding to cease to be wholly sovereign they make sure not to lose control? Bearing in mind these limitations, the classical definitions are not disposable materials either. Regional integration, after all, is about international cooperation and collective decision-making, and it is a legitimate exercise to try to identify the actors involved and investigate

their motives, the methods used and the objectives targeted. As we shall see later, we simply need a looser definition of regional integration.

Is the more recent literature about New Regionalism of more help? Does it offer definitions better suited to aide our investigation of Latin American integration? Let us start by recalling that a theory of regionalism had been quite convincingly elaborated by Andrew Hurrell, who suggested “to break up the notion of ‘regionalism’ into five different categories”<sup>18</sup> (table 1.1).

Hurrell’s typology is interesting because it grasps a fundamental distinction between societal interaction and interstate cooperation, or informal and formal regionalism. It also highlights the fact that regional economic integration is but one subcategory of regional cooperation. And finally, it does not neglect the perceptions of the actors.

As regards “new regionalism,” according to Söderbaum it is “characterized by its multidimensionality, complexity, fluidity, non-conformity and by the fact that it involves a variety of state and non-state actors, who often come together in rather informal multiactor coalitions.”<sup>19</sup> This is a statement Deutsch or Puchala would not have much criticized, as they would have recognized that times are different. Without a doubt, the international context has changed and with it the actors, their patterns of cooperation and their main concerns. As Jean Grugel and Wil Hout put it, “in contrast to that earlier period, ‘new regionalism’ is principally a defensive response to the economic marginalization of much of the South in the 1980s, its political reconfiguration during

**Table 1.1** Andrew Hurrell’s five categories of regionalism

Regionalization	Refers to the growth of societal integration within a region and to the often undirected processes of social and economic interaction
Regional awareness and identity	Shared perception of belonging to a particular community
Regional interstate cooperation	Negotiation and construction of interstate or intergovernmental agreements or regimes
State-promoted regional integration	A subcategory of regional cooperation: Regional economic integration
Regional cohesion	Possibility that, at some point, a combination of these first four processes might lead to the emergence of a cohesive and consolidate regional unit

Source: Author’s elaboration of Andrew Hurrell, “Regionalism in Theoretical Perspective,” in Louise Fawcett and Andrew Hurrell (eds.), *Regionalism in World Politics. Regional Organization and International Order*, Oxford: Oxford University Press, 1995, pp. 39–45.

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the political and economic turmoil at the end of the cold war, and a fear of, or reaction to, the trend towards a globalized economy.”<sup>20</sup>

But does a regionalism of a new kind necessarily require a different approach? The New Regionalism literature has drawn our attention to all these changes. And since the scholars who keep on studying regional integration hardly bother to give definitions anymore, except Mattli, the New Regionalism theorists appear to better account for the post-cold war globalized world. Nevertheless, with regards to definitions, the added value of New Regionalism seems dubious.

Consider Björn Hettne’s distinction between five levels of “regionness” (table 1.2). In a way it is a reminiscence of Haas’ typology that presents the same evolutionary bias, although he warns not to take evolution too literally. Moreover, each of his categories has been described by classic authors. He himself admits that in security terms, his last two categories correspond to what Deutsch calls “pluralistic security community” and “amalgamated security community.”<sup>21</sup>

The New Regionalism literature is also so diversified that it is impossible to find what the different theorists have in common, except precisely a fuzzy reference to New Regionalism. Perhaps among the different theoretical contributions, the constructivist approach is the one that has proven to be most innovative, and capturing genuinely new dimensions of regionalism. Regions are indeed social constructions and/or political projects, and so is free trade.<sup>22</sup> As Bull and Bøås put it, “regions are always in the making, constructed, deconstructed

**Table 1.2** Björn Hettne’s five levels of regionness

Regional space	A geographic area, delimited by more or less natural physical barriers
Regional complex	implies ever-widening translocal relations between the human groups
Regional society	can be either organized or more spontaneous, and this can be cultural, economic, political, or military fields
Regional community	takes shape when an enduring organizational framework (formal or less formal) facilitates and promotes social communication and convergence of values and actions throughout the region, creating a transnational civil society
Regional institutional polity	has a more fixed structure or decision-making and stronger actor capability

Source: Author’s elaboration of Björn Hettne, “The New Regionalism Revisited,” in Frederik Söderbaum and Timothy Shaw (eds.), *Theories of New Regionalism*, New York, Palgrave Macmillan, 2003, pp. 28–29.

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and reconstructed through social practice and discourse; and not only states, but also non-state actors, participate in the process of constructing the region and giving its specific content.”<sup>23</sup> Among the non-state actors, they study the role of regional development banks and conclude: “Every act of regionalization is a political act committed by regionalizing actors who seek to promote their vision and approach on to the regional agenda.”<sup>24</sup> I would add that this construction, the way a region is “imagined” or promoted, can not be completely detached from previous experiences. Any social construction is a product of past experiences, successful as well as unsuccessful ones. Likewise, the way a region is invented cannot be detached from its “objective” existence. I would therefore suggest distinguishing between a region as set of linkages (being historical, political, economic, and cultural) engendering interdependence, and regionalism as a politics of cooperation.

Nye used to define a region as a “limited number of states linked together by a geographic relationship and by a degree of mutual interdependence.”<sup>25</sup> By mutual interdependence, he had in mind security concerns. In a previous work I tried to define interdependency more broadly, including mutual political influences and common parallel adjustments to modifications of the international context, deriving from parallel historical trajectories. Latin America, in that sense, is a region because the different countries share a lot of common features, and the waves of political change have always been the product of convergence and/or diffusion.<sup>26</sup> By contrast, there are certain periods in history when the linkages and the subsequent interdependence are on the rise, be it the consequence of deliberate state-led strategies or unintended consequences of civil society actors’ activism. I will define these processes indifferently as regionalization or regional integration. If my overall preference goes to the notion of regional integration in this book, it is simply to indicate continuity from the first 1950s’ experiences to present day ones, and to refuse the excessive dichotomy between “old” and “new” regionalism. There actually are waves of regional integration or regionalism but no such radical gaps between them. In addition, long term processes have to be taken into account, as they are a historical dimension that constitutes a blinding omission by the New Regionalism literature.

In this book, regional integration is thus defined as a historical process of increased levels of interaction between political units (subnational, national, or transnational), provided by actors sharing common ideas, setting objectives, and defining methods to achieve them, and by so doing contributing to building a region. There are

three corollaries to this definition: (1) the process can encompass a great diversity of actors (private and public), levels (from below and from above), and agendas; (2) It can result from a deliberate strategy or emerge as an unintended consequence of a social interaction; and (3) not least, it can entail institution building.

The next section of this introduction sums up the history of Latin American integration, emphasizing its main characteristics, namely its instability and the gap between objectives, means, and outcomes. It also insists on the international environment and the importance of critical junctures and subsequent timing and sequences of regional integration. Then I will return to theory and revise the theoretical instruments best suited to make sense of this historical evolution. The introduction will close with a presentation of the book's central focus.

### **Historical Paths of Regional Integration and Disintegration in Latin America**

Ever since the Continent was conquered, the issue of tracing borders has been a complex one. Although the overall unification of Spanish conquests was out of reach, the administrative organization of the newly possessed territories around the Viceroyalties of New Spain and Peru in the mid sixteenth century was an act of regional integration. This first showcase was hardly a convincing one compared to the consolidation of the Portuguese or English speaking colonies. The Viceroyalty of Brazil would never be dismantled.

During three centuries, the administrative organization of the colonies remained more or less stable. The Spanish authorities managed to organize trade routes and preserve political stability in the colonies, but they had a hard time preserving some homogeneity in the empire and could not prevent the progressive consolidation of particularities in the different regions. Admittedly, the task was immense. The Viceroyalty of New Spain stretched from California to the Philippines and from Guatemala to Florida, including the vast territory of Mexico. The Viceroyalty of Peru covered all South America, except Brazil. Moreover, the prohibition of trade between colonies was an incentive to localism. Nonetheless, despite their isolation and the obstacle of strict rules governing commerce, the colonies managed to develop illegal trade routes and initiated a process of regional integration from below.<sup>27</sup> In the Caribbean, the Andean, the Atlantic, and the Pacific regions, smuggling and trafficking contributed to the construction of a sort

of common market, relying on a local currency to allow transactions. Other mechanisms helped to build a Latin American region, such as the *situados*, a redistributive device, aimed at channeling resources from rich to poor regions. Typically a gold or silver producing region (e.g., Mexico or Peru) would subsidize garrisons in the Caribbean islands or on the frontier regions such as Chile.

At the beginning of the eighteenth century, Spain experienced a change of dynasty in power from the Habsburg to the Bourbons. Among the liberal reforms that followed this political watershed was the reorganization of the colonial administrative divisions. A third and a fourth Viceroyalties were created with New Grenada (1717, capital Bogotá), and Rio de la Plata (1776, capital Buenos Aires). At a lower level, the Bourbons exported to Latin America the French system of intendencies, creating about forty of them, gathering the classical *audiencias*.

As far as the way borders made sense, Latin America reached the period of independence with mixed feelings. Three centuries of isolation had developed a feeling of belonging to a region, with limited contacts with the neighbors and the rest of the world, and a commercial dependence vis-à-vis Spain. Nevertheless, the administrative territorial division and the bureaucratic rules were responsible for many obstacles, feeding a major frustration among the elites who eventually would lead the independence movement.

Toward the end of eighteenth century, the echoes of the American and French revolutions were welcomed among the educated elite. Some intellectuals dreamt of a Latin American revolution, and suggested not only liberation but also a unification of all territories.

The Venezuelan Francisco de Miranda (1750–1816) was a precursor. As early as 1790, he considered Hispanic America as a “Nation,” and suggested the formation of a single independent state with all Spanish speaking territories of the continent. Others were not sure about who to include in a united continent. The famous Chilean lawyer, born in Peru, Juan Egaña (1768–1836), afraid of a possible European invasion following Napoleon’s takeover of Spain, had a “Plan for the defense of America,” consisting in a Federation that included the United States, Spanish-speaking countries of America, and even Spain. In Central America, the Honduran José Cecilio de Valle (1780–1834) also had in mind a Federation including all American territories, in view of developing trade relations.

Of course, the wars of liberation gave the unification dream some consistency. A call for unity was a classic response to external threats.

Some countries were simply looking for allies in their defense strategies, such as Chile in 1810 inviting Buenos Aires to establish a “General Defense Plan.” Every great leader of the Continent started to refer to his home town as *patria chica* (small country) and to the Continent as *patria grande*. And they all envisioned an American Confederation.

It was Simón Bolívar (1783–1830) who best embodied this call for unification, with his famous 1812 Cartagena Manifest and his military campaigns. He did not ignore the difficulties of the task though. In his Letter from Jamaica (1815), he made clear that his desire was to “see America fashioned into the greatest nation in the world,” but that it was only a “glorious idea to think of consolidating the New World into a single nation.” And he added that “remote climates, different situations, opposed interests, and unequal character divide America.”<sup>28</sup>

At the same time, he inspired the famous *uti possidetis juris* principle stating the respect of borders inherited from the colonial era, adopted during the 1819 Angostura Congress. Bolívar was an idealist when he had to legitimize the war efforts, but a realist when he was anticipating the political order that would follow. He borrowed many references from the French Revolution, but did not envision a genuine revolution and the establishment of Republican regimes. Many of his followers would try to build upon his ideas, forgetting his ambiguities. Bolívar eventually managed to unite the territories he liberated, creating in 1819 a Grand Colombia, with Venezuela, Colombia, Panama, and Ecuador, but he failed to rally support for his project of a great Hispano-American alliance. Only Mexico, Peru, Colombia, and Central America attended the First Congress of Latin American Plenipotentiaries, held in Panama between June 22 and July 15, 1826. A defense treaty, “Treaty of Union, League and Perpetual Confederation,” was signed, only ratified by Gran Colombia.

The wars of independence had resulted in the revitalization of colonial administrative divisions. In one case, that meant unification. Central America, long united under the General Captaincy of Guatemala during the colonial period, got its independence in 1821, only to be absorbed for a while by Mexico’s Emperor Iturbide (1821–1823), and later established a Federation that lasted between 1825 and 1838. But in the other regions, that meant separations. During the first fifty years of independence, Latin America deepened its commercial ties with Europe based on commodities export and consolidated its political divisions while at the same time continuing to plan its reunification. Localism and nationalism were stubbornly setting obstacles to any attempt to erase borders or relinquish sovereignty. In each country

civil wars were raging, the product of rivalries between local powerful oligarchical families and of clashes between liberals and conservatives. The former favored free trade and secularization of societies; the latter were more protectionists and defensive of the role of the Catholic Church in the new emerging political orders.

A process of regional disintegration was on its way, with Paraguay detached from Buenos Aires (1811), Bolivia from Peru (1825), and Uruguay from Brazil (1828). In 1830, Gran Colombia was dissolved, leaving Venezuela, Colombia, and Ecuador as separate states, and so did the Federation of Central America in 1838 (Costa Rica, Nicaragua, Honduras, El Salvador and Guatemala). Finally, in 1839, the Peruvian-Bolivian Confederation disappeared, after Chile's declaration of war. At the same time, some countries such as Mexico, Argentina, Colombia, or Venezuela managed to preserve their unity building Federal systems.

Against this backdrop, many diplomatic summits were held to try and solidify a continental solidarity. In 1847–1848 in Lima, Peru, the Second Congress of Latin American Plenipotentiaries took place, also known as the First Congress of Lima, with Colombia, Ecuador, Bolivia, Chile, and Peru. The purpose of the summit was to study a Confederation plan. None of the participants ever ratified the Treaty of Confederation they signed. In 1856, two treaties were signed, one in Chile by Peru, Chile, and Ecuador (Continental Treaty), and one in Washington by Costa Rica, Salvador, Guatemala, Mexico, Peru, and Venezuela (Treaty of Alliance and Confederation). Then in 1864–1865, the Third Congress of Latin American Plenipotentiaries was held, or the Second Congress of Lima, with Venezuela, Colombia, Chile, El Salvador, Ecuador, Peru, and Bolivia. During this Congress, another defense treaty was signed. Another Latin American Summit was held in Caracas in 1883, with the ambition of revitalizing Bolivar's thoughts. Colombia, Bolivia, Peru, El Salvador, Mexico, and Argentina sent diplomats. Also worth mentioning are a series of juridical congresses, held in Lima (1877–1880) and Montevideo (1888–1889) that, in addition to previous Congresses, made important contributions to the harmonization of principles and practices (international arbitration, extradition, abolition of slavery, etc.) The balance of Hispano-Americanism was rather poor, though. Many declarations had been signed that never got enforced, and no progress was made toward free trade or political unification, although a continental cooperation on non-political matters did prosper.

In 1881, Pan-Americanism was about to replace Hispano-Americanism, as the United States invited all American nations to

attend a Congress in 1882. The project was “different from that conceived by Bolivar. It was restricted to nonpolitical cooperation, primarily in economic relations.”<sup>29</sup>

Paradoxically, Pan-Americanism would also give new strength to Latin American solidarity at the beginning of the twentieth century, adding a new component to the project: anti-imperialism. To be sure, tensions between North and South America began when President Monroe ordered the invasion of Florida in 1817. Bolivar’s army had just conquered the island of Amelia and established the Republic of Florida. The United States would then buy the region from Spain. Later came the famous 1823 Monroe doctrine, welcomed with cautions by Latin American leaders, anxious to secure protection from Europe but afraid the United States could seize any opportunity to establish military domination over the continent. Starting in 1845 with the annexing of Texas and later the 1848 peace treaty with Mexico, with the latter losing about a third of its territory, the history of U.S. military aggression in Latin America, in the name of the *Manifest Destiny*, is notable.<sup>30</sup>

The First International American Conference (October 2, 1889–April 19, 1890) was a successful experiment of collective diplomacy for Latin America, as the representatives managed to block a U.S. sponsored plan to impose a custom union, although they accepted the creation of a Commercial Bureau of American Republics. Nevertheless, this success did not convert into solidarity. When the Cuban José Martí, one of the most famous spokespersons of Latin American interests during the conference, led a liberation war in his island and eventually got killed in 1895, and when the United States invaded the island three years later (Spanish War), there were no signs of a collective reaction in Latin America.

The first three decades of the twentieth century saw the emergence of new political parties, actively involved in the anti-imperialism movement, and spreading renewed projects of political unity throughout the continent. The Peruvian American Popular Revolutionary Alliance (APRA), the Mexican Institutionalized Revolutionary Party (PRI), or the Bolivian National Revolutionary Movement (MNR), defended the idea that solidarity was to serve projects of revolutionary change. However, although they kept alive the myth of Latin American brotherhood, they failed to launch a continental political movement of major importance.

Nine other International American Conferences would follow the 1889–1890 one, in Mexico (1901–1902), Rio de Janeiro (1906), Buenos Aires (1910), Santiago de Chile (1923), La Havana (1928), Montevideo

(1933), Lima (1938), Bogotá (1948), and Caracas (1954). Of special importance were the ninth one in Bogotá, for its approval of the Charter of the Organization of American States (OAS), and three special conferences, one on the Maintenance of Peace (1936 in Buenos Aires), one on Problems of War and Peace (1945, Chapultepec, Mexico), and finally one for the Maintenance of Continental Peace and Security (1947 in Rio de Janeiro) where a Treaty of reciprocal assistance (Rio Pact) was signed.

The aftermath of World War II is a milestone in the history of regional integration, not only because the Inter-American system is put in place with its political (OAS) and security (Rio Pact) pillars. The fact that Latin America belonged to the winning alliance had important consequences, the least important of them not being its massive participation at the 1945 San Francisco Conference that gave birth to the United Nations Organization (UNO/UN). Twenty out of the fifty participants were Latin Americans and they proved to be quite influential pushing human rights issues.<sup>31</sup> A collective Latin American intervention made it possible, with the support of the United States, to defend the seating of Argentina, accused by the Soviet Union of having supported the Axis during the war. Latin American representatives were also very active in the defense of a wider scope of intervention for the Organization, including economic and social cooperation.

Three years later, the creation of the UN Economic Commission for Latin America and the Caribbean (CEPAL) reflected Latin America's lack of confidence in the Inter-American economic and social council created in 1945 in the Chapultepec Conference. The historical context, the first steps, and the writings of CEPAL have been described many times.<sup>32</sup> Suffice to mention that the initial UN intentions were to provide international economic cooperation to an underdeveloped region. This rather modest technical role notwithstanding, CEPAL progressively became an influential think-tank, under the leadership of Argentine economist Raúl Prebisch. His thesis, and the one of Hans Singer, pointed out that the terms of trade between commodities and manufactures were subject to a downward trend. If Latin America was to launch its economic development, it had to stimulate its industrialization process.<sup>33</sup> In 1949, in what Hirschman described as CEPAL's manifesto, Prebisch mentioned that Latin America should be better off unifying its markets, as it would raise the industrial productivity. The next year, the study on the economic situation of Latin America emphasized the necessity of economic regional integration and tariff protection.<sup>34</sup>

The so-called Prebisch-Singer thesis was hardly convincing during the Korean War, as the prices paid in the international markets for Latin American raw products were rather high. Conversely, in the second half of the 1950s, the deterioration of terms of trade gave some more credibility to Prebisch's thesis, and in 1955, the creation of a trade committee allowed CEPAL to elaborate projects of regional integration. The "CEPAL doctrine" considered that Latin America should pursue a strategy of industrialization, based on import substitution and protectionism. To take advantage of economies of scales, Latin America should also constitute a Common Market.<sup>35</sup> This doctrine was diffused by the numerous *técnicos*, mostly young bureaucrats working in ministries of Economy of different countries, formed by CEPAL.

As the 1950s came to a close, a whole new generation of political leaders took over, displacing the old dictators (Vargas in Brazil, Perón in Argentina, Trujillo in the Dominican Republic, Odría in Peru, Pérez Jiménez in Venezuela) who strongly opposed any project of integration. New civil presidents such as Arturo Frondizi in Argentina, Juscelino Kubitschek in Brazil, Alberto Lleras Camargo in Colombia (who had been the first general secretary of OAS), or Romulo Betancourt in Venezuela, were much more enthusiastic about integration. Some of them belonged to the Christian Democrat family, with ramifications in Europe, where this political sensibility was actively promoting integration. The end of the 1950s also witnessed a change in the way the United States considered Latin American integration. Because he supported many dictators, Vice President Richard Nixon was welcomed with fierce hostility by students and workers in Lima and Caracas during his 1958 Latin American tour.<sup>36</sup> The U.S. administration realized how unpopular they were on the Continent. Brazilian president Juscelino Kubitschek seized this opportunity to suggest the launching of a major cooperative strategy to fight poverty. *Operation Pan America* did not receive much support from President Eisenhower, but the 1959 Cuban revolution convinced the U.S. administration that a change of policy was an urgent task. As a result, the United States accepted the idea of creating a bank, and in April 1959 the Inter-American Development Bank (IADB) was founded. Later in March 1961 President Kennedy presented his Alliance for Progress initiative. A ten year effort was approved during a Montevideo Inter-American Conference in August 1961. Last and not least, the end of the 1950s saw six European countries dramatically shifting their regional integration process launched in 1951 with the Coal and Steel Community (ECSC).

The Treaty of Rome, March 25, 1957, gave birth to the Economic European Community (EEC) and sent a mixed signal to the world. France, Germany, Italy, Belgium, Netherlands, and Luxemburg were leading the way, as far as integration and peace-building are concerned, but they were also building a bloc that could result in trade diversion. This new historical context offered Latin America both new opportunities and a model to get inspiration from.

The first region to jump on the bandwagon was Central America. As we shall see in more detail in chapter two, a new climate of solidarity resulted from the global change in the post-World War II international context. As early as 1948, as mentioned earlier, the Central Americans initiated their cooperation in the field of higher education and went on to create in 1951 the Organization of Central American States (ODECA). This political initiative would not be as successful as the Central American Common Market (MCCA) created in 1960. The same year, eleven Latin American countries signed the Treaty of Montevideo giving birth to the Latin American Free Trade Association (ALALC).<sup>37</sup> A twelve year period was scheduled to remove trade barriers. At the end of that period, only 10% of the products had been the object of talks. The negotiations on the basis of lists of products proved inefficient, and in 1969 the program had to be rescheduled. That year, a group of six less developed Andean countries decided to go their own way, as they complained the big players (namely Argentina, Brazil, and Mexico) were the main beneficiaries of trade liberalization. Bolivia, Colombia, Ecuador, Chile, Peru, and later Venezuela (1973), embarked upon their own paths. The Andean Pact signed in 1969 was much more than a free trade agreement. Modeled after the EEC, the Andean Group (GRAN) was a highly institutionalized arrangement that would not prove very efficient either. Finally, in 1969, a group of Caribbean countries created the Caribbean Free Trade Association (CARIFTA), replaced in 1973 by the Caribbean Community (CARICOM).<sup>38</sup> A few years later, the same less-more developed divide would affect CARICOM as the poorer eastern Caribbean states that had already created the East Caribbean Common Market (ECCM) in 1967, formed in 1981 the Organization of Eastern Caribbean States (OECS).<sup>39</sup>

An important dimension of this first wave of postwar regional integration was the policy of industrial complementarity, which was supposed to promote industrial specialization among the member countries of a regional grouping. This policy clearly failed, both for internal reasons (opposition of authoritarian governments to cede parcels of

sovereignty) and external reasons (opposition of the United States to what it considered an interference with free market forces).

During the 1970s, Latin American promoters of integration had to admit that the process did not go as planned. As a political construction, an instrument of development or a simple device for trade promotion, regional integration failed to fulfill the initial aspirations.<sup>40</sup> For CEPAL's general secretary, "The problem of Latin America is that the proper strategy to melt the different nationalisms into a single Latin American nationalism has not been found."<sup>41</sup> Paradoxically, these failures coupled with the impression that the United States diplomacy under Nixon was clearly neglecting Latin America, led to a reactivation of "Latino-Americanism." In April 1969, the Conference of Latin American Foreign Ministers approved the so-called Consensus of Viña del Mar. As one participant put it: "Never before had the foreign ministers of the entire continent met to discuss the problems of Latin America in its relations with the United States—without the latter being present—and to agree on a common position."<sup>42</sup> The Consensus emphasized such principles as the affirmation of a Latin American personality as "irreversible and legitimate," juridical equality among nations, non-intervention and unconditional cooperation. Eventually the Consensus led to the creation of a Special Commission for Consultation and Negotiation (CECON) that proved unable to convince the United States to lower its tariffs.

The early 1970s offered a very adverse context, international (rise of oil prices) as well as domestic (breakdown of democratic regimes in countries such as Bolivia, Chile, Uruguay, Peru, Argentina, and Ecuador). Nevertheless, the military regimes were concerned with security and modernization and were eager to secure some regional cooperation. In 1969, Brazil, Argentina, Bolivia, Paraguay, and Uruguay signed the River Plate Basin Treaty, agreeing to join efforts to provide a full integration of the regions drained by the rivers, and in 1978 Bolivia, Brazil, Ecuador, Guyana, Peru, Surinam, and Venezuela signed the Amazon Pact, with similar preoccupations in the Amazon River basin. As far as regional economic integration is concerned, the 1970s were a period of readjustment and "revisionism"<sup>43</sup> leading to the creation of the Latin American Economic System (SELA) in 1975, and the signing of the 1980 Montevideo Treaty, refreshing the 1960 one and replacing ALALC with the Latin American Integration Association (ALADI). SELA was conceived as a "permanent regional body" to "promote intra-regional cooperation in order to accelerate the economic and social development of its members" and "to provide

a permanent system of consultation and coordination for the adoption of common positions and strategies on economic and social matters in international bodies and forums as well as before third countries and groups of countries.<sup>44</sup> Twenty-six countries became members of SELA, based in Caracas, Venezuela. As regards ALADI, it is a much more modest and flexible organization than ALALC was, with a lower commitment toward free trade.<sup>45</sup> The new association did not impose a specific methodology of negotiation, nor any schedules or deadlines. Other integration schemes, most notably the Andean Group (GRAN) and the Central American Common Market (MCCA), underwent the same evolution, trying to readjust and downgrade their objectives.

During the 1980s, the political context changed dramatically with the wave of democratization progressively submerging the whole continent. In parallel, the Latin Americans addressed collectively two serious crises, setting the basis for deeper cooperation and an impressive reactivation of regional integration attempts.<sup>46</sup>

The first crisis was the so-called debt crisis that started to hit the continent in 1982, putting in jeopardy the transitions to democracy. In June 1984, Mexico, Argentina, Brazil, and Colombia took the initiative to organize a Conference in Cartagena (Colombia), in order to call the attention of the creditor countries on the potentially very devastating social and political consequences of the crisis. A collective treatment of the debt crisis was hard to carry on though. Each country had a particular debt structure and was tempted to defect and negotiate a debt relief deal of its own with its creditors. Indeed, in 1984, Brazil, Peru, Ecuador, Mexico, Venezuela, Argentina, and Chile successively struck a deal to alleviate their debt burden. Nevertheless, the "Consensus of Cartagena" had a deep impact on the way the debt problem would be addressed by the creditor countries, the banks, or the multilateral organizations. The heavily indebted Latin American countries accepted reimbursement, but not at any social and political cost. As a consequence, in 1989, the Brady Plan would call on the banks to be flexible.

Another diplomatic initiative has been even more successful. In 1983, Mexico, Venezuela, Colombia, and Panama gathered in the Island of Contadora and offered their mediation in the Central American conflict. Joined in 1985 by Argentina, Brazil, Peru, and Uruguay, they wrote an Act of Contadora for peace and cooperation in Central America that received worldwide support. The Act was never accepted by the Central Americans, except the Sandinista government of Nicaragua, but served as an inspiration for the 1987 Arias peace plan that would eventually bring peace to the region. These two diplomatic

initiatives both ran into fierce resistance from the Reagan administration, but definitively installed a new climate in Latin America. The new democratic leaders of the continent were ready to build some kind of a club of democratic regimes, looking for ways to collectively consolidate their fragile transitions. They were also keen to institutionalize their collaboration. In 1986, the ministers for Foreign Affairs of the eight countries which worked together to solve the Central American crisis decided, in a Rio de Janeiro meeting, to create a permanent group. The Rio Group held its first presidential summit on November 29, 1987, in Acapulco (Mexico) and adopted a Compromise for Peace, Development, and Democracy that put the emphasis on the existence of a community of interests and values between Latin American countries. A Permanent mechanism of consultation was put in place and the Group decided to welcome other Latin American countries and meet on a yearly basis. The collective treatment of common problems was giving way to a loose political association.

During the 1990s, this new political climate, anticipating the economic benefits of regionalism in the context of globalization, Europe's consolidation as a block and the United States' new project (President Bush's Enterprise for the Americas initiative), led to a proliferation of new initiatives (table 1.3). In 1991, Argentina, Brazil, Paraguay, and Uruguay agreed to open a Common market of the South (MERCOSUR), in the same year the G3 was formed (Mexico, Colombia, and Venezuela), and the Central Americans put their integration process on a new track with the SICA. The next year, the North American Free Trade Agreement was signed, and then successively in 1994 and 1996, the Caribbeans and the Andeans reactivated their integration processes. Finally, during the 1994 Miami Summit of the Americas, a negotiation was opened that should have led to a Free Trade Area of the Americas in 2005. This project, as we shall see, got paralyzed in the years 2002–2003.

This last wave of regional integration is very different from the previous ones. During the 1990s, the new free trade agreements distanced themselves from the protectionist ones of the previous generation. They envisioned integration as a way to boost their insertion in the global economy. Regional integration is no longer a device aimed at accelerating the industrialization of Latin America. Planning of import substitution is no longer the objective, as Latin America turns neoliberal and embraces the Washington consensus. CEPAL imported the Asian Pacific Economic Cooperation (APEC)'s principle of "open regionalism" to describe the tentative reconciliation between regionalism

**Table 1.3** The 1990s' wave of integration

<i>Regional Group</i>	<i>Date</i>	<i>Members</i>
G3: Group of 3	1991	Colombia, Mexico, Venezuela
MERCOSUR: Common Market of the South	1991	Argentina, Brazil, Paraguay, Uruguay
SICA: Central American Integration System	1991	Guatemala, Belize, Costa Rica, Nicaragua, Honduras, Panama, El Salvador
NAFTA: North American Free Trade Agreement	1992	Canada, México, United States
ACS: Association of Caribbean States	1994	Antigua and Barbuda, The Bahamas, Barbados, Belize, Colombia, Costa Rica, Cuba, Dominica, Dominican Republic, El Salvador, Grenada, Guatemala, Guyana, Haiti, Honduras, Jamaica, Mexico, Nicaragua, Panama, St Kitts & Nevis, St Lucia, St Vincent, the Grenadines, Suriname, Trinidad and Tobago, Venezuela  Associate members: Aruba, France, Netherland Antilles, Turks and Caicos
CAN: Andean Community	1996	Ecuador, Bolivia, Peru, Colombia, Venezuela

Source: Author's elaboration.

and multilateralism.<sup>47</sup> This new regionalism is also opened as far as membership is concerned and indeed many regional arrangements welcomed new members or associate members during this period. As we shall explain later in chapter three, this wave of regionalism is also different from a political point of view. The new treaties are no longer politically "neutral" as they clearly aim to contribute to the consolidation of democracy. The last wave of regional integration agreements is very much related to the major political shifts of the period, most notably democratization and the implementation of neoliberal reforms.

What is the current situation of the five main regional integration processes? The rest of this book will give many details, but for now five features can be highlighted.

First, if we exempt NAFTA, instability is definitely a structural characteristic of Latin American or Caribbean integration. Table 1.4 only mentions the main crises the groupings have had to grapple with, but many observers mention a state of permanent crisis to describe regional integration in Central America, the Andes, or MERCOSUR.<sup>48</sup>

Second, in terms of commercial interdependence or economic convergence, the balance is rather poor. Without a doubt economic

**Table 1.6** Interregional agreements

<i>Group</i>	<i>Year of Proposal</i>	<i>Promoter</i>	<i>Members</i>
- Free Trade Area of South America (FTASA)	1993	Brazil (Franco)	Argentina, Bolivia,
- Initiative for the Integration of Infrastructure in South America (IIRSA)	2000	Brazil (Cardoso)	Brazil, Chile, Colombia, Ecuador, Guyana, Paraguay, Peru, Surinam, Uruguay, Venezuela
- Community of South-American Nations (CSN)	2004	Brazil (Lula)	
- Union of South American Nations (UNASUR)	2007	Venezuela (Chávez)	
Free Trade Area of the Americas (FTAA)	1994	United States (Clinton)	34 members: All American countries but Cuba

Source: Author's elaboration.

integration has not triggered in Latin America a process similar to the European one, where intraregional trade reaches more than 60%. The region where intraregional trade has reached the highest level is Central America, with an intraregional to total trade ratio of less than 30%.<sup>49</sup>

Third, institutionalization remains weak, with a large gap between the abundance of laws and the low level of compliance, and a mismatch between scope and level of integration.

Four, adding to these difficulties or limitations, the different regional groupings have had to meet the challenge of possible implosions or dilutions, as a great variety of negotiations at different levels are concluded by the signature of bilateral, multilateral, or interregional agreements. Membership is no longer exclusive, with cases of overlapping memberships, and strategies of "polygamy" spreading (tables 1.5 and 1.6).<sup>50</sup>

And finally, five, external actors such as the European Union or the United States play important but contrasting roles. The former has always been keen to export its model of integration and has, over the years, pressured the Central Americans, the Andeans, or the MERCOSURians to show proofs of a deepening of their integration process prior to any interregional negotiation. The latter's policy has changed from frank hostility to CEPAL's conception of planned integration in the 1950s, to supporting the creation of free trade areas in the 1960s, and then to an invitation to join a hemispherical initiative in the 1990s, before going back to bilateralism in the 2000s.

More recently, Venezuelan president Hugo Chávez has challenged the neoliberal orientation of the current integration schemes and has proposed a “Bolivarian alternative for the Americas” (ALBA). Meanwhile, external powers are offering negotiations. The United States has signed bilateral free trade agreements with Chile, Central America and the Dominican Republic, Peru, Colombia, and Panama. The European Union, after signing with Mexico and Chile, is negotiating with MERCOSUR, CAN, and SICA.

### Selecting Theoretical Tools

How to account for this historical evolution and the main features of present day regional arrangements? Latin America’s experience with integration can be characterized by several factors that have not been sufficiently addressed by the literature: imagined political integration long remaining essentially rhetorical;<sup>51</sup> economic, social, or cultural integration from below despite many obstacles; integration from above launched at some critical junctures; resilience and consistency of the institutional arrangements despite instability and crises; mismatch between scope and level of integration; and poor policy outcomes.

My intention in this section is not to present and discuss the main theories elaborated in the past fifty years to study regional integration. There are some excellent collections or readers doing the job,<sup>52</sup> so I can allow myself to get straight to the task of selecting the theoretical tools I consider best suited to account for the historical evolution sketched in the previous section. In the remainder of the book I shall eventually suggest new approaches to explain particular aspects of regional integration.

Let me begin by quickly specifying the kind of choices I will not be making: (1) This book definitively turns its back to a whole tradition of never ending intents to describe the overall processes of regional integration, using a macroscopic lens and looking for a limited number of variables, or using metaphors or analogies; (2) It also refuses any type of normative bias, using the European example as a benchmark to evaluate the Latin American experiences. Since the European example has at times been followed by the Latin Americans, a process of import and adaptation can indeed be analyzed. And there are a lot of theoretical lessons that can be drawn from the European integration process and usefully applied to Latin America. Nevertheless, each process has its own specificities and has to be evaluated according to its

own standards; (3) It should be clear by now that this book does not use a deductive approach, my concern is primarily to explore theoretical ways of explaining Latin American integration or disintegration, not to validate, enrich, or invalidate some existing theories. In so doing, if it is possible to make general statements and suggest some theoretical upgrading, I will do so.

This book strongly argues for midrange theorization and tries to explain what is “out there in the empirical world,” as Puchala put it.<sup>53</sup> In order to do so, it claims to use cross-fertilization from different schools, although it can probably be included in the skeptical school of integration, the one that calls for “the development of both a theoretically and empirially based awareness of the dialectical interaction between the limits and possibilities of integration in a given moment in time.”<sup>54</sup>

To make sense out of Latin American experiences with regional integration, three main classical questions can help build a framework of analysis: how and why is a regional integration process launched? How does it evolve? And how can its politics and policies be characterized?

### Onset of a Regional Integration Process

Except Central America, with its short-lived Federation, Latin America evoked integration from above during more than a hundred and fifty years before actually initiating a process, starting again in Central America after World War II. Given this long historical lag between an imagined political unity and the first materialization of the project, we obviously have to start by asking why it took so long.

Although they were not concerned with explaining the historical lag mentioned above, classical neo-functionalists would have simply answered that the “background conditions” have long been adverse. In their study of Latin American Free Trade Association (ALALC) in the 1960s, Haas and Schmitter noticed that the distribution of pattern variables was not very favorable. ALALC’s results were “mixed” in all four background conditions, size of units, rates, of transaction, pluralism, and elite complementarity.<sup>55</sup> Karl Deutsch was more cautious as he referred to “such helpful but non-essential conditions included previous administrative and/or dynastic union; ethnic or linguistic assimilation; strong economic ties; and foreign military threat.”<sup>56</sup> More recently, Walter Mattli has also insisted both on

demand conditions (the potential for economic gains and the demand for rules by market players) and supply conditions (a leading country and committed institutions).<sup>57</sup>

Most of the time the studies of conditions suffer from serious flaws, they tend to use the European experience as a yardstick to measure the chances other integration processes have to follow the same path, or they tend to rationalize ex post with dubious causal links. In order to address the questions “Why did it take so long?” or “Why did it finally happen?,” I claim that a mixture of constructivism and historical institutionalism is a much better tool.

First, the constructivist approach is of great help in clarifying the terms used in Latin America. When the Latin Americans spoke of a single nation desperately looking for its reunification, there seems to have been a misunderstanding that would have lasting effects. Since the Latin Americans essentially had a feeling of belonging to their local towns during the colonial era, the discourse about a nation could not be anything but an invention.

It is of interest to recall the classical explanation offered by Benedict Anderson of Spanish America’s failure to “generate a permanent Spanish-America-wide nationalism.” The “pilgrim creole functionaries” and “provincial creole printmen played the decisive historical role,” the former by contributing to create a meaning from the colonial administrative units, the latter by forming an “imagined community among a specific assemblage of fellow-readers.” The failure, for Anderson, “reflects both the general level of development of capitalism and technology in the late eighteenth century and the ‘local’ backwardness of Spanish capitalism and technology in relation to the administrative stretch of the Empire.”<sup>58</sup>

If there was no “Spanish-America-wide nationalism,” there was hardly any other nationalism. The wars of independence were processes of state-building without any nation to rely on. There were no nations in Latin America, if by nation we refer to an “imagined political community—and imagined as both inherently limited and sovereign,”<sup>59</sup> and a product of a long history. The only exception could be Central America, but elsewhere patriotism was more the force driving the fight for independence.<sup>60</sup> Bolivar himself was very confusing, referring alternatively to nations, *patrias*, and countries.

If there was no nationalism, there were territorialized identities. Caballero refers to a “binary identity” being consolidated during the period of independences, with references to *patria chica* (emerging state) and *patria grande* (Latin America as a whole).<sup>61</sup> I would add that *patria*

*chica*, being locally rooted and because of the historical domination of local *caudillos* (Spanish America) or *coroneles* (in Brazil), Latin America developed a “ternary identity,” based on local, national and regional (transnational) feelings of belonging. There was a hierarchy between these three identities, with the local being stronger than the national, itself being stronger than the regional. Such a hierarchy was not the product of a geographical determinism but much more of a historical process.

The importance of the reference to an “American” identity cannot be overstated. The wars of independence were a first “critical juncture” or a founding event. United against the Spanish Crown, many Latin Americans had to work together. In Peru, the center of the Spanish Empire, as Luis Tejada recalls, many people from all over the continent gathered to wage an ultimate fight, and this country was a representation of Latin America. Peru’s first presidents were from Argentina (San Martín), Venezuela (Bolívar), Ecuador (La Mar), and Bolivia (Santa Cruz).<sup>62</sup> He also mentions the armies of liberation, with soldiers from all over the continent making a decisive contribution to what he calls a “continental citizenship.” Americanism as a myth was born as a driving force to regional integration.

We will have many opportunities to elaborate on the importance of myths, but it is also necessary to stress the relevance of events and the way they unfold. The historical gap between rhetorical references to unity and failures, or lack of concrete steps to realize it can also be illuminated by mentioning critical junctures, sequences, and timings, placing the politics of integration in time.<sup>63</sup> As we saw in the historical section of this chapter, the first sequence of calls for unification took place at a time when the process of state- and nation-building was not concluded. By and large, the never-ending process of nation-building has prevented the identification with a supranational polity. The elucidation of this gap between incomplete nation-building and imaginary references to a supranational entity deserves close attention. Historical institutionalism seems perfectly fit to contribute to this task, as it “recognizes that political development must be understood as a process that unfolds over time” and as it “stresses that many of the contemporary implications of these temporal processes are embedded in institutions—whether these be formal rules, policy structures, or norms.”<sup>64</sup>

Historical institutionalism also helps us to underline the importance of initial critical junctures. Even classical authors like Haas and Schmitter, as will be mentioned later, hinted that “creative crisis” could

help jumpstart the integration process. Nye preferred to examine what he called “catalysts.” His idea was to “focus attention on the role of the relatively accidental and more historically unique factors in regional integration.”<sup>65</sup> By doing so, he insisted on the external dimension: “More attention must be paid to the external environment of world politics in which an integration process takes place.”<sup>66</sup> He particularly mentioned military force (Bismarckian model of Zollverein) and economic aid as possible catalysts. Creative crisis, catalysts, or critical junctures definitely deserve close attention, as they put a regional integration process on a specific path. Using a path-dependence argument, we shall see that “early stages in a sequence can place particular aspects of political systems onto distinct tracks, which are then reinforced through time.”<sup>67</sup> The critical junctures ought to be put in historical perspectives, and this proves much more enlightening than take a snap shot and insist on initial conditions of strong or weak interdependences.

Another variable that will prove of great explanatory capacity throughout our analysis is the international environment or external incentives. What is true for any process of regional integration is even more so as regard Latin America.<sup>68</sup> Therefore, it will prove useful to use theoretical tools such as linkage politics,<sup>69</sup> double-edged diplomacy,<sup>70</sup> or internationalization<sup>71</sup> in order to capture the complex relationship between domestic and international politics of integration.

Finally, we have to clarify the intentions of the integration entrepreneurs. In order to do so, we shall use a double distinction: between means and ends, and between politics and economics. In most cases regional integration is described by many analysts as an instrument, a process put forth to achieve an economic goal, be it a mere free trade area or a more complex common market. Nevertheless, to focus on integration as a bargaining over comparative anticipated benefits of free trade and defense of national interests is a very reductionist view. Every integration process we are going to study has been the object of a negotiation, and in each case a treaty has been signed. In this book, we will not use a rationalist framework to study these negotiations, as Moravcsik does.<sup>72</sup> We will instead pay attention to critical junctures, environments, and intentions.

The launching of a regional integration process cannot be separated from superior political goals, such as building peace or defending democracy. Even if the envisioned regional integration is limited to free trade and does not include a political dimension, it is always a device that is supposed to help fulfill political ambitions.<sup>73</sup> As Duina

demonstrated, free trade encompasses a certain vision of the world that varies from one accord to another.<sup>74</sup> We shall analyze in detail what can be called a political instrumentalization of economic integration.

Initial objectives and representations are important because they put the integration process on a specific track and contribute to shaping institutional arrangements. But they should not be considered immutable. As the process unfolds, political objectives can be achieved, modified, or abandoned, and what was originally conceived as an economic instrument can become an end, until the process gets politicized. Hence there can be frequent permutations between means and ends, and crossed instrumentalizations between the political and the economic dimensions of integration.<sup>75</sup>

### Ongoing Process

The point mentioned above about permutation of objectives and crossed instrumentalizations allows me to introduce the issue of politicization of integration, which is important in order to understand how the process evolves.

With regard to classical theory, Latin America is somewhere between Europe and Africa. When Donald Puchala suggests that regional integration theory must “center on the gradual reduction of national sovereignty by peaceful means,” “explain the phased emergence of regional political authority” and “explain the developing consensus in values, aspirations, policy preferences and general world outlooks among national elites and even among mass populations,”<sup>76</sup> he is much too concerned with the European case. Even Haas and Schmitter, although writing on Latin America, had a conception influenced by the first phase of European integration<sup>77</sup> as they considered that “politization implies that the actors seek to resolve their problems so as to upgrade common interests and, in the process, delegate more authority to the center.”<sup>78</sup> But when Nye considers that “the problem in most underdeveloped areas is one of premature ‘overpolitization’”<sup>79</sup> and describes political elites in East Africa too busy building states and nations to bother taking care of regional integration processes, he probably draws a correct picture of Africa in the 1960s that would apply to Nineteenth century Latin America, but not to the contemporary one. Yet, he makes a good point when he deplores that neo-functionalism “places too little emphasis on conscious political action,” and that “careful calculation of welfare benefits and economic interests when making decisions makes

sense only when the political framework within which interests interact can be taken for granted.”<sup>80</sup>

Three dimensions deserve exploration. One is the range of issues the actors agree to discuss and deal with at a regional level in the course of the evolution of the regional integration process. Part of Haas and Schmitter’s conception of politicization can be useful. They rightly point out that a key aspect of regional integration’s evolution lies on the capacity to include in the field of common action some “controversial” topics. But instead of their definition of “controversial components” as “additional fields of action which require political choices concerning how much national autonomy to delegate to the union,”<sup>81</sup> I find Stanley Hoffman’s distinction between two kinds of politics more suited for Latin American “realities”: “politics which aims at or allows for the maximization of the common good” and “the politics of either *do ut des* (strict reciprocity) or of the zero-sum game.”<sup>82</sup> The alternative he describes is of great importance: “Whether an issue falls into one or the other category depends on its momentary saliency—on how essential it appears to the government for the survival of the nation or for its own survival, as well as on the specific features of the issue (some do not lend themselves to ‘maximization of the common good’ or to ‘upgrading the common interest’) and on the economic conjuncture.”<sup>83</sup>

The second dimension is precisely common interest. A key threshold in an integration process is the consideration of regional common interest or complementarities beyond classical defense of national interests. Close scrutiny of intergovernmental negotiations can help determine if such a consideration emerges. I will argue that such a threshold can be crossed only in specific historical junctures. Crisis situations can convince the actors they have to search for collective solutions and activate political cooperation. Or in Haas and Schmitter’s terms, only a “creative crisis which compels the members to fall back on their own collective resources can be expected to trigger the behavior patterns which will make the expansive hypothesis prevail.”<sup>84</sup> Whatever the reasons are for the consideration of common interest, it remains very fragile, and there is no irreversibility. Governments are constantly evaluating their commitments and can choose to step back whenever they have the feeling of belonging to a group of “losers.” This will evidently not hold true if the consideration of common interest is locked-in in efficient institutions.

Thus the third and most important dimension is the degree of institutionalization. Institution building will be studied from different perspectives. First, I will try to highlight the “ideology of integration”

or the “community model,”<sup>85</sup> or the “guidebook to reality”<sup>86</sup> that are used to build an institutional project. The ideational theory is of great help in understanding the shape and extent of institutions. But so is the neo-institutional framework which provides a fairly good tool to study the way regional institutional arrangements are transpositions of domestic ones (isomorphism) or imitations of foreign ones (mimetism) and remain more or less stable. Nevertheless, I do not believe the concepts of “increasing returns” or “positive feedback”<sup>87</sup> are of much help and I will supplement the neo-institutional arguments with symbolic ones, considering institutions as symbolic devices anchoring a reference to an imagined regional community. In that sense, I am not very far from Duina’s political-institutional explanation, when he considers that regional-level arrangements “seldom represent abrupt or major departures from existing reality. They instead offer much continuity with that reality, translating at the transnational level conditions and dynamics present in most or all the member states before integration.”<sup>88</sup>

In parallel, some aspects of the neo-functional theories can be used to explain the dynamics of institutional building. But likewise, classical arguments such as spill-around<sup>89</sup> have to be supplemented with symbolic arguments to explain the expansion in the scope of integration without an increase in the level of regional decision-making, a structural characteristic of Latin American integration. We will see that the Presidents can inflate their agendas of talks and create agencies during their summits to send a message to their constituency.

### **Politics and Policies of Integration:** **Integration and Democracy**

Looking for ways to describe regional institutional arrangements, I will address the issue of democracy for two main reasons. First, because the shape and content of the projects have been intimately related to the types of political regimes. As we shall see in chapter two, the latest generation of integration was born out of the 1980s’ democratic transitions. The previous one in the 1960s cannot be apprehended without a reference to authoritarian regimes. Second, because regional integration processes in the 1980s and 1990s have not only been conceived as devices of democratic consolidation, but have also tried to meet the challenge of their own democratization, in order to cope with a so-called democratic deficit.

In this book I use three different but compatible and complementary theoretical orientations to address the issue of a regional integration democratic deficit. I first use the “standard version” of the democratic deficit debate, to stress the importance of a parliament.<sup>90</sup> I also use a more participatory democratic theory to highlight the involvement of civil societies. And I finally use an outcome-oriented democratic theory to examine the classical “who gets what?” issue.<sup>91</sup>

These different theoretical orientations will be of great help to answer such relevant questions for Latin American experiences with integration as: Does it make sense to have a regional parliament when a regional political system is deprived of any other components of a democratic polity, and against the backdrop of highly presidential regimes in the member states? Can Parliaments deprived of any effective decision-making powers contribute to democratize the process of integration? Can an integration process’ democratization progress from below? What accounts for the choice between regulation and redistribution? Does the integration process produce any regional public goods? Are there any redistributive or allocative mechanisms?

These questions cannot be fully answered without taking into account the hemispheric level of governance. The process of the Summits of the Americas has entailed, since 1994, an effort of regulation that encompasses existing regional arrangements. In order to study this dimension of integration, I will use the theories of multilevel governance developed to account for European decision-making, and I will supplement them with three other orientations. I will describe the negotiations leading to the construction of a framework for governance using both a cautious “rationalist framework”<sup>92</sup> and a more cognitive approach focusing on the way national preferences can converge. Finally, I also make use of symbolic arguments to assess the importance of the diplomacy of summits.

The description of regional institutional arrangements will not be done “objectively” in terms of success or failure, or in terms of degrees of integration, as if there were yardsticks available. In 1981, Axline mentioned that

the goals of Latin American integration have evolved along with socioeconomic changes in the member countries, changes in the nature of the world economic situation, and changes in thinking about economic development. This evolution, considered in the context of different approaches to the study of integration, has created a situation in which some of the principal effects of

integration (increases in trade, investment) may be interpreted as successes or as failures depending on the perspectives of the analysis.<sup>93</sup>

This statement remains valid. The success of an integration process ought to be measured according to its initial objectives as they are stated in the treaties. Nonetheless, the official goals, as any speech act, can have different purposes, and by setting objectives the agreements can try to “do” something else, that we will have to explicate.<sup>94</sup>

The same relativist approach applies to the degree of integration. It is worth recalling that Karl Deutsch evoked different “thresholds of integration,” and applied two different tests to the presence or absence of security-communities. One was “subjective, in terms of the opinions of the political decision-makers, or of the politically relevant strata in each territory.” The other was “objective,” and consisted in measuring the “tangible commitments and the allocation of resources” to prepare for war. For Deutsch, countries might at one time cross a threshold from a situation where war was considered an option to another where it was no longer the case, but there was no irreversibility. As he put it “integration may involve a fairly broad zone of transition rather than a narrow threshold.” And he added “States might cross and recross this threshold or zone of transition several times in their relations to each other; and they might spend decades or generations wavering uncertainly within it.”<sup>95</sup> This conception has all too often been neglected.

Finally, there is a dimension that will be highlighted often in the study of the politics and policies of integration: the interaction between internal and external dynamics. In Latin America, the external incentives, being imitation, adaptation, import or imposition of models (mostly the European one), have always been of major importance. Some regional agreements are fully sustained by foreign assistance, and the types of programs they choose to implement are the ones susceptible to receiving funding from international cooperation. Furthermore, there is overwhelming evidence showing that the influence of the United States has been determinant throughout the history of modern Latin American integration. Sometimes, this influence is related to domestic debates, as two recent examples clearly show.

On July 18, 2007, Assistant Secretary of State for Western Hemisphere Affairs Thomas Shannon announced during a SICA conference that he would support an anti-gang strategy.<sup>96</sup> A few weeks later, U.S. Congress representative Charles Rangel headed a delegation of congressmen who visited Peru and Panama where they made it

clear that the free trade agreements with these countries would not be ratified unless they included stronger labor and environmental standards. In 2007, the Democrats were obviously sensitive to AFL-CIO's protectionist pressures, but equally concerned with Hugo Chávez's petro-dollar diplomacy.

As far as the European Union is concerned, also meaningful is the way it pressures the Central Americans and the Andeans to negotiate an agreement as a block. SICA and CAN are summoned to conclude their custom unions prior to any deal with the EU.

In a 1988 piece, Axline correctly pointed out that "the political theory of integration has failed to account for the factors outside the region that have influenced the process of regional cooperation."<sup>97</sup> Some progress has been made in the past twenty years though. What appears to be most promising is considering the way internal and external influences are intertwined. In other words, it is not about isolating each variable, internal, and/or external influence, but scrutinizes the way they interact. In that sense, I once again find Francesco Duina's constructivist approach very attractive. Even though he insists much more on internal "power configurations" than on external influences, he shows that both variables contribute to "social construction" of regional integration.<sup>98</sup> The way José Caballero relates regional integration to a "socially 'enmeshed' state" is also very illuminating.<sup>99</sup>

The previous discussion allows us to supplement my initial definition. Recall that regional integration has been defined as follows: a historical process of increased levels of interaction between political units (subnational, national, or transnational), provided by actors sharing common ideas, setting objectives and defining methods to achieve them, and by so doing contributing to building a region. There are three corollaries to this definition: (1) the process can encompass a great diversity of actors (private and public), levels (from below and from above) and agendas; (2) it can result from a deliberate strategy or emerge as an unintended consequence of a social interaction; and (3) not least, it can entail institution building.

I am now able to be more precise. Concerning the onset of the process, I found that

- the increase in the level of interaction does not happen from scratch. History matters (critical junctures, environment and negotiations);

- the initial objectives and methods can be diverse, economic as well as political;
- they rely on a convergence of ideas among a variety of actors;
- there can be endogenous as well as external incentives.

Concerning the evolution of the integration process, we can add that

- there can be permutations of objectives and cross instrumentalizations between economics and politics;
- the process entails politicization and the consideration of common interest in specific historical junctures, but there is no irreversibility;
- institution building is crafted by ideas and models;
- mismatches between scope and level of integration can fulfill a symbolic function.

Finally, with regard to the policies and politics of integration, regional integration processes are no exception in the context of a worldwide demand for democracy and accountability in international organizations. The issue can be raised at two levels:

- In the different regional arrangements, there are attempts to reform the institutions so that they can be more representative, participative, and redistributive/allocative.
- At the interregional level (Latin America/United States and Latin America/European Union), multilevel governance is being build.

This historical and theoretical framework will serve as a roadmap for the following exploration. This book is divided into four parts: (1) Concerning the intentions of integration entrepreneurs, it examines two ways economic integration can be and has been politically instrumentalized (building peace and democracy); (2) It then proceeds to study the process of institution building and discuss the hypothesis of institutional isomorphism in trying to explain the mismatch between scope and level of integration; (3) It tackles the issue of the institutional arrangements' democratic deficit, examining the role of regional parliaments, the way civil societies are (or are not) associated with decision making, and the production and distribution of regional public goods; and (4) It questions the compatibility of regional

integration processes with the consolidation of multilevel governance at the hemispheric level.

Each chapter includes a theoretical exploration, a reference to the European experience when and if it is relevant, and a comparative analysis building on case studies. The ultimate goal is to reach a better understanding of Latin American integration and suggest some theoretical lessons that, hopefully, will trigger further discussions.<sup>100</sup>

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PART 2

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*Political Instrumentalization of  
Regional Economic Integration*

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## CHAPTER TWO

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### *Resolving Regional Crises*

Trade has long been considered a core dimension of international relations. Whether it is a factor of peace or war, favoring or affecting the “Wealth of Nations,” is a question that has been debated for centuries, ever since the mercantilists put in place a protectionist, interventionist, and colonial economic system in the sixteenth century. Adam Smith criticized the mercantilist theory in the eighteenth century, and ever since, classical economics favoring free markets has been dominant. So too has the idea that trade contributes to the pacification of international relations, except for the Marxist tradition that points out the contradictions generated by the expansion of capitalism, and in its modern Latin American version, the dependency of the periphery.

Since a regional integration process aims at opening a free trade area, conventional wisdom considers it a device for building peace among nations. During the second half of the twentieth century, based on a European experience, the idea spread that regional integration can reconcile enemies (France and Germany) and consolidate peaceful relations. Liberal theory links democracy, trade, interdependence, and peace, and classical regional integration theory has added some further arguments, focusing on the way a group of countries becoming integrated develop a sense of community that fosters security.<sup>1</sup>

Two problems emerge though. First, the causal link goes both ways. As far as the European case is concerned, there are solid grounds for believing that the successful regional integration experience owes as much to the cleverness of Europe’s founding fathers as to the Marshall Plan and the North Atlantic Treaty Organization (NATO). The United States indeed provided both economic support and nuclear protection at the onset of the process, and helped build peace as much

as the European Economic Community (EEC) did, a point realist authors such as Kenneth Waltz were right to stress.<sup>2</sup> Second, intentions ought not to be inferred from outcomes. Fifty years of peace in Western Europe can in part be credited to the integration entrepreneurs of the 1950s, but their motives in 1957 were as much economic as political. They certainly had in mind the French-German reconciliation in 1952, when negotiating the European Coal and Steel Community (ECSC), and later the stillborn European Defense Community (EDC) in 1954, but the EEC is a more complicated story. In any case, attempts to account for the founding fathers' intentions must pay attention to the historical context in which they were embedded. With World War II, European construction has experienced a founding trauma that is much more than an intervening variable. More generally, regional integration processes are not mere institutional arrangements designed to achieve technical goals such as free trade. Their purpose, scope, and level cannot be apprehended without a precise understanding of the historical context that characterizes their negotiation and first steps.

The objective of this chapter is not to discuss the theoretical or historical links between integration and peace, but rather to study two historical sequences of Central American integration in terms of relations between crisis and integration. The discussion will show how historical contexts of crises constrain and shape the instrumentalization of a regional integration process. Every integration process has at its onset a kind of a critical juncture that triggers the initial negotiations. Central America is a very interesting case to study because it offers two examples of complex relations between regional crises and regional integration.

This chapter begins by quickly revising the existent literature to uncover a lacuna concerning critical junctures. In the next two sections I argue that the 1950s Central American regional integration process has been instrumentalized to solve a regional crisis, and that in turn in the 1980s, efforts to solve a regional crisis have reactivated the integration process.

### **Crisis and Regional Integration: A Theoretical Overview**

In this section I will focus on the way the theoretical literature explains the launching and relaunching of an integration process and relates it to crisis-resolution efforts.

The history of European or Latin American integration debuts and their subsequent evolution has been told many times. Although the types of explanation vary greatly, there is a broad consensus underlining the role of founding fathers acting in a specific historical context, as well as the role of governments agreeing to cooperate on a range of issues. As far as Europe is concerned, security concerns have been mentioned as a major incentive at the end of World War II. Latin America is lacking a similar incentive.

Early works by neo-functionalists were more concerned by the way an integration process proceeds than by the way it begins. Ernst Haas, however, suggested that “a series of traumatic events vividly remembered by a generation subjected to integration may launch and then spur the process.”<sup>3</sup> He added that “the role of two world wars of unprecedented destructiveness and the threat of the victory of a revolutionary totalitarian movement at the end of the second of these wars were undoubtedly primary among the specific stimuli which, in Western Europe, made people receptive to the historico-cultural arguments of the mythmakers. This combination of circumstances does not easily permit repetition elsewhere.” He also identified three different types of conflict resolution he called “least demanding,” “accommodation by splitting the difference” and “accommodation on the basis of deliberately or inadvertently upgrading the common interests of the parties.” Each of these types entails a different path and intensity of integration, the last one being the most favorable to a political community.

Other than this short mention of the “circumstances” of European construction debuts, Haas and other neo-functionalists did not theorize much about the initiation of an integration process. They were more interested in specifying “background conditions” or “conditions at time of economic union,” as Ernst Haas and Philippe Schmitter do in their attempt to make projections about political unity.<sup>4</sup> Among them, they included governmental purposes (coincidence or convergence) and powers of union, but did not pay attention to the historical context that could have influenced the governments’ evaluation of the situation. Nor do they pay a lot of attention to the international environment of regional integration processes. The same lacuna is obvious in the work of Karl Deutsch, who was more interested in the conditions for the emergence of a pluralistic or amalgamated security community, like mutual relevance, mutual responsiveness or common ideology or loyalty.<sup>5</sup>

In a later work, Haas insists on the importance of national consciousness as preventing a strong commitment to regional integration

in Latin America.<sup>6</sup> Moreover, he points out the absence of symmetrical heterogeneity and of homogeneous structural relations between countries, and the excessive politicization of the continent as an obstacle to functional and incremental regional integration. He does not try, however, to relate the lack of tangible progress of the Latin American Free Trade Agreement (ALALC) to the way regional integration was initiated in Latin America.

What the neo-functionalists did try to understand, though, was the irregular pattern that characterizes the evolution of European integration. The European 1965 crisis that led to the “Compromise of Luxembourg” taught the naïve neo-functionalists a lesson.<sup>7</sup> The idea that an integration process would progress automatically and irreversibly, spilling over from one sector to another, was brutally denied. As a consequence, a lot of scholars started to theorize about the way an integration process could overcome crises.

Philippe Schmitter, for instance, made efforts to bring precision to the neo-functional hypotheses he and Ernst Haas presented in a seminal 1964 article. He quite convincingly explained that in his view “conflict between national actors is very likely to be forthcoming but it is likely to be resolved by expanding the scope or level of central institutions.”<sup>8</sup> In a later work he apprehends regional integration as a process through which governments establish regional institutions in order to reach some agreed upon goals.<sup>9</sup> The process, however, generates contradictions, in terms of equity, engrenage,<sup>10</sup> externalization, or envy. He considers that “the consequences produced by this ‘competition’ between regional institutions and exogenous tensions or process-generated contradictions ‘feed back’ to the regional institutions.” Eventually, “actors may be forced to revise their strategies and to consider alternative obligations, i.e. they may reevaluate the level and/or scope of their commitment to regional institutions.” In so doing, actors learn from past experiences and adjust their strategies. Schmitter describes crisis-induced decision cycles, and makes a series of hypotheses, conceding that his model is “a very poor predictor of the initiation of integration movements.” Furthermore, the model is relatively mute about the external environment, for it is centered on the processes own dynamic and requires a declining role for external conditions as the integration proceeds. In his work on Central America, he describes a “spill-around” effect of regional integration that owes much to its own dynamic and is never related to the historical context of initiation.<sup>11</sup> He basically explains the expansion in the scope of regional integration without an increase in the level of regional decision-making by

referring to a contradiction between the *técnicos* and the *políticos*. The former have learned from past and foreign experiences and act rationally to expand the scope of integration, while the latter are suspicious and reluctant to upgrade the level of integration. He only pays attention to the initial stages of the integration process when he assesses the conditions that favor the emergence of *técnicos* and *políticos*.

This out of context rational-actor centered type of explanation is still quite common among the most recent functionalists. To take only one example, the explanation of the “stop and go” pattern of integration’s progress offered by Dorette Corbey is ahistorical and decontextualized.<sup>12</sup> Trying to highlight the internal dynamic that drives the cycle of progress and stagnation of European integration, she explains that “when European integration proceeds in one sector, deprived interest groups will push member governments to safeguard adjacent policy areas against outside interference and to shift state intervention toward those areas, thus heralding the ‘stop’ phase. As governments act, they will generate policy competition among themselves, which eventually will become self-defeating. At that point, states will be motivated to escape the costs of rivalry by turning to renewed European integration—the next ‘go’ phase—this time forming a coalition against their own interest groups.”<sup>13</sup> This type of description can easily be applied to any period of time and to any region in the world.

The relaunching of European integration in the mid 1980s triggered new theoretical efforts facing the challenge of explaining what appeared to be much more than a mere adjustment. The Single European Act of 1986 paved the way for the completion of the internal market and the institutional reforms approved in the 1992 Maastricht treaty. To draw a line between “normal” crises, as described by the neo-functionalists, and a refoundation is a delicate and risky business. By any standards, however, the mid 1980s in Europe represent an important moment of reform.

The way dominant approaches in the fields of supranationalism and intergovernmentalism explained this moment varies greatly. Wayne Sandholtz and John Zysman for instance, argue that the Europeans at the end of the 1980s were worried about their position in world politics and were forced to upgrade their commitment and target an economic union.<sup>14</sup> For them, “1992” is a “disjunction,” a “dramatic new start,” and they explain it “in terms of elite bargains formulated in response to international structural change and the Commission’s policy entrepreneurship.” Quite differently, Andrew Moravcsik claims that “1992”

is the product of an interstate bargain between Britain, France, and Germany.<sup>15</sup>

Echoing European changes, we saw in chapter one that Latin America has also witnessed in the second half of the 1980s an impressive reactivation of different integration processes like the Central American one, or the launching of new ones such as MERCOSUR. True, each region embarked on its own path and different reasons can account for the reactivation of its integration process. Nonetheless, the dominant explanations draw from political economy, simply mentioning the necessary adaptations to pressures from the world political economy. A more sophisticated hypothesis concerning Central America is proposed in this chapter, focusing on crisis resolution. In the next chapter, I will argue that a political preference–convergence hypothesis is better equipped to explain MERCOSUR's origins.

In any case, as regards Latin America, numerous scholars have failed to pay sufficient attention to history, institutions, and ideas. Most explanations offered of the 1980s' relaunching are rational-actor centered and deny path-dependent arguments.

The theoretical points I want to make in this chapter are the following: (1) Highlighting the critical juncture that triggers an integration process (launching or relaunching) allows better understanding of the type of integration that follows, especially the balance between economic and political objectives; (2) A critical juncture must be described in terms of "linkage politics." International contexts, domestic politics, as well as their interactions matter; (3) Sequencing of events is of great importance; (4) Critical junctures leave historical legacies, mainly through institutions and representations. Institutions usually survive over time, they are "sticky," but they can be deprived of any influence, and the learning effect of past experiences progressively fades away; (5) Subsequent crisis resolutions are constrained by path-dependency, but they can nevertheless act as new critical junctures partially erasing the past and engaging regional integration on a new path. I will now turn to Central America to put some flesh on these theoretical arguments.

### Central American Integration during the Cold War

Before I examine two interesting periods of Central America's history, it should be clear that this region is rather unique, probably in the world, for any study of the relationship between peace, integration, and

foreign intervention. During much of Central America's history since its independence, wars and unifications were constantly intertwined. After the dissolution in 1838 of its Federation, Central America during the nineteenth century has long thought that the reconstruction of a Federation, Confederation, or Union could bring peace to the region.<sup>16</sup> It was not until the end of this century that they began to understand that peace should come first.<sup>17</sup>

In 1906, for instance, U.S. president Roosevelt sponsored a peace conference in San José, Costa Rica, and a second follow-up one in Washington the next year, that ended with the signature of a Treaty of Peace, Friendship, and Commerce, that provided for the creation of an International Central American Bureau, a Pedagogical Institute, and a Central American Court. These agreements contributed to ease the tensions in the region, although they could not yield any lasting outcomes. The Court lost credibility in 1916 when the United States and Nicaragua decided to ignore its sentence. The Court had just ruled that the Bryan-Chamorro Treaty signed by Nicaragua and the United States violated previous regional treaties. In 1918, the Court was dismantled. As for the Central American Bureau, it operated on a low profile until 1923, and the Pedagogical Institute never saw the light of day.

In 1904, the creation of a Unionist Party brought a new actor to the region, very much committed to the reunification task. Founded by a group of young students under the leadership of the Nicaraguan Salvador Mendieta, the party managed to rally support in favor of a reunification plan to be adopted in 1921, for the commemoration of the one hundredth anniversary of Central America's independence. That plan also aborted, and the turmoil that followed was once again solved with the help of the United States organizing a conference in Washington in 1922. Another Treaty of Peace and Amity was signed and a Central American Tribunal installed. This treaty remained in force until 1934 when it was denounced by Costa Rica and then by El Salvador, protesting against the refusal of the United States to recognize the brutal Hernández Martínez regime.

Karnes is right to point out that "for the second time an attempt to create a 'Washington system' for Central American affairs had met with failure." Although it cannot be ignored that both US sponsored treaties allowed the Central Americans to live in peace for a decade each time, he is also right when he contends that "the denunciation brought out into the open a need for a change in the rules. The Central Americans were now ready to start over again—without any help from the United

States.”<sup>18</sup> The “good neighborhood policy” inaugurated by Roosevelt in 1934 would help them.

The next initiative was precisely taken in 1934, when Guatemala invited the other Central American countries for a conference without the United States. A new Treaty of Central American Fraternity was signed on that occasion. However, the times were harsh. Before World War II, Central America, like the rest of Latin America with the exception of Costa Rica, was ruled by *caudillos*, usually ruthless dictators in power for years. Also as in the rest of the continent, authoritarian regimes were seriously questioned during the years of war as they took part in a global battle raging for the defense of democracy.

As early as 1941 in Guatemala, for instance, an opposition emerged in academic and student circles. The year 1943 marked in the whole region an important milestone in mobilization. Social unrest spread from one country to another, producing contrasting results. In 1944, both Guatemalan and Salvadoran social movements managed to rid their country of their respective dictators, Ubico and Martínez. In Nicaragua and Honduras the regimes survived, granting some changes such as wage raises or the enforcement of generous social legislation. In Costa Rica, the opposition to the government built up and a short civil war burst out in 1948. In this latter country, the democratic nature of the regime made it an exception, and the subject of confrontation was more about how to cope with social problems and corruption.

In one country this turmoil eventually led, in 1944, to a radical regime change. Facing a powerful mobilization of students and urban workers, Guatemalan dictator Jorge Ubico resigned on July 1, 1944. After a few months of further agitation, the “street” forced Ubico’s successor to resign in October and a new president was elected in December. Juan José Arévalo took office in March 1945, announcing a series of policies sympathetic to workers and peasants.<sup>19</sup>

What has been coined the Guatemalan revolution was, by any standard, far from being a full-fledged revolution like the Mexican one. But in a rapidly changing international context, from post-war U.S. support to democratization, to the cold war anticommunist crusade, any project of profound political change was suspected of communist sympathy. Indeed, the Guatemalan revolution was a spectacular consequence of the absence of political and social reforms in the region. It also unleashed a regional crisis, as the new regime backed the Salvadoran and Costa Rican opposition, and brought some help to communist movements in the region. Between 1945 and 1950,

Juan José Arévalo embarked upon deep changes. A new Constitution was enacted in 1945, giving the workers new social rights following the Mexican example, and a welfare state was progressively installed, despite fierce opposition from supporters of the traditional oligarchic political order. Many political exiles came back to their homeland, and the communists took control of the labor movement.

In 1950, Arévalo's defense minister Jacobo Arbenz won the presidential election. During his years in office, the Guatemalan revolution turned more radical. An agrarian reform started to be implemented in 1952 directly affecting the interests of the U.S.-based multinational United Fruit Company. When an invasion began from Honduras with the support of the CIA, the Guatemalan Army refused to obey presidential orders, and Arbenz had no choice but to resign. The beginning of the cold war was severely constraining for Central American governments. Just as Latin Americans had been supposed to contribute to the World War II effort and pressed to do so by the United States, in the context of the Korean War they had to show no signs of weakness on communism. The U.S. participation in the overthrow of Arbenz in 1954 was a clear breaking point. Twenty years earlier, Franklin Roosevelt had inaugurated the good neighborhood policy, and for the first time the United States ousted a democratically elected president in the name of communist containment. True, classic defense of economic interests were also invoked, as the Guatemalan agrarian reform penalized the powerful United Fruit Company.

Going back to the aftermath of World War II, it is important to recall that a climate of solidarity had emerged between the two newly democratized Central American countries, El Salvador and Guatemala. Salvadoran president Castañeda Castro and his colleague Arévalo met in May 1945 (San Cristobal Conference), to discuss a project of Central American Union, drafted by the Central American Unionist Party. On September 12, 1946, a Santa Ana Pact was signed by the two countries. The objective was to set the conditions for a political union in Central America.<sup>20</sup> A year later, the two countries signed a Pact for a Confederate Union of Central American States in San Salvador. Neither initiative met any success. The rest of the region remained dubious at best, frankly hostile at worst. Central America in those years did not have any internal or external incentive to make a decisive move toward a regional commitment. The region lacked the kind of founding trauma that made European States accept not only close collaboration but also a crucial pooling of sovereignty. Therefore the presidential summits did not go much beyond a rhetorical reference to a dreamt

unity. In addition, many countries were torn apart, and there were risks of war in the whole region.

Nevertheless, these efforts set the stage for other initiatives, this time prompted by external incentives. In its external relations, Central America has had the opportunity to witness its weakness, first at the April–June 1945 San Francisco Conference that gave birth to the United Nations Organization. Twenty out of the fifty-one participants were from Latin America, but the voices of the Central Americans could hardly be heard. Then came the April 1948 Bogotá Conference, where an important treaty was signed, creating the Organization of American States (OAS). The OAS was clearly an inspiration for the Central Americans, but it took three more years for them to hold a summit. At the initiative of El Salvador, the ministers of foreign affairs from the five Central American countries met between October 8 and 14, 1951, and signed the San Salvador Charter, creating the Organization of Central American States (ODECA). The motive seems to have been to create a diplomatic device in order to gain voice in the UN arena. More officially, the Charter posed that the five countries wanted to strengthen the links that united them, engage in mutual consultations in order to consolidate their fraternal coexistence, work together to prevent any disagreement and secure peaceful resolution of conflicts, in short to promote solidarity and common action.

The institutional arrangement was rather modest, with only five organs: irregular Meeting of Heads of State (supreme organ), the Meeting of Ministers of Foreign Affairs (principal organ), irregular meeting of other ministers, the Central American Office (the organization's general secretariat), and an Economic Council. Effective on January 9, 1952, the ODECA immediately ran into serious problems preparing for its first presidential summit. While the political complicity between El Salvador and Guatemala had been the engine of the whole unification effort, the former country suggested the adoption of a declaration condemning international communist subversion in the region. Guatemalan President Arbenz quite rightly took it personally and, after trying in vain to convince his colleagues not to sign such an aggressive declaration, chose to withdraw from the ODECA on April 4, 1953. This declaration came in the mist of a fear among Central American governments that Guatemalan agrarian reform would trigger rising expectations in the neighboring countries and nurture social mobilization all over the isthmus.

The ODECA with four members promptly pledged allegiance to the United States and acted as a relay for its communist containment

strategy. The first two meetings of ODECA's principal organ were mockeries of anticommunism, especially the second one, held in Managua, Nicaragua, on July 12, 1953, with its final declaration titled "Reaffirmation of Democratic Principles in Central America and Condemnation of Communism." By any account, except Costa Rica, few Central American countries could qualify as democratic in 1953, but the ODECA followed the United States as assimilating democracy with anti-communism.<sup>21</sup>

The ODECA was also clearly echoing the OAS's strong stance against communism. During its famous tenth Pan-American Conference, held in Caracas, Venezuela, between March 1 and 28, 1954, Secretary of State John Foster Dulles submitted to approval a "Declaration of solidarity for the preservation of American States' political integrity against the intromission of international communism," that served to legitimate the military intervention in Guatemala.

Pressures, intimidation and military maneuvers were sufficient to convince President Arbenz to resign on June 27, 1954. His successor and leader of the coup, Colonel Castillo, was quick to show proofs of goodwill and applied for reintegration in the ODECA, which was immediately granted.

The first years of ODECA's existence were embedded in a very special context. Central America during the first half of the 1950s was clearly facing a typical cold war situation, with the hegemonic power in the region dictating the way out of the crisis. Designed by the Central Americans during the brief post-World War II period of democratization, the organization was deviated from its initial purpose by the anticommunist international environment. In a situation where the existence of a regime suspected of communism was not tolerated by the hegemonic power, the ODECA contributed to the crisis-resolution by locally amplifying the anti-communist U.S.-led campaign and giving it an appearance of legality.

Following the Arbenz resignation, Central America was hit by a second crisis in January 1955 when Costa Rica's former president Calderón, defeated during the 1948 civil war, launched an invasion of his country from neighboring Nicaragua, with the support of its dictator Somoza. The whole operation was a failure but, quite interestingly, Costa Rica called for OAS arbitrage instead of the ODECA. Other crises between Nicaragua and its neighbors would be settled by the United States and OAS in 1957 and 1959. The political credibility of the ODECA could not be any lower than at that moment. Further

proofs of extreme political weakness were made apparent in the second half of the decade. The ministers of foreign affairs' meeting, originally scheduled to be held every two years, proved to be desperately unproductive. The first ordinary meeting (Antigua, Guatemala, August 27, 1955), hardly managed to nominate a general secretary and approved a very general declaration. Territorial disputes between Nicaragua and Honduras were discussed during an extraordinary meeting on March 30, 1957. Then the second ordinary meeting (October 12–14, 1959) had trouble finding a new general secretary. The problem was solved during the fourth extraordinary meeting on February 15, 1960. Finally, the fifth extraordinary meeting (Tegucigalpa, July 21–23, 1961) adopted a declaration that did nothing but reaffirm the anticommunism discourse and recommended the enforcement of measures listed in the Managua Resolution (July 12, 1953). Ten years had passed, and the ODECA had made no progress whatsoever.

Nevertheless, this 1961 meeting marked a turning point, as Guatemalan President Miguel Ydígoras suggested the Organization should take a fresh start and proposed a deep reform. After several technical preparatory meetings, the sixth extraordinary meeting of the ministers of foreign affairs approved a new charter, in San Salvador, on December 12, 1962. This new text contained no small changes. The objectives were more ambitious, although not very precise. The opening statement posits that: "It is necessary to provide the five States with a more effective instrument by establishing organs which assure their economic and social progress, eliminate the barriers which divide them, improve constantly the living conditions of their peoples, guarantee the stability and expansion of industry, and strengthen Central American solidarity." Then Article 1 stated that "Costa Rica, Nicaragua, Honduras, El Salvador and Guatemala are an economic-political community which aspires to the integration of Central America."<sup>22</sup> The institutional arrangement was much more complex, with eight organs instead of five: the Meeting of Heads of State (supreme organ), the Conference of Ministers of Foreign Affairs (principal organ), the Executive Council (permanent organ), the Legislative Council, the Central American Court of Justice, the Economic Council, the Cultural and Educational Council, and the Central American Defense Council (CONDECA). Interestingly, the latter had been created quite independently by the Central American War Ministers in 1961.

This new arrangement looked like a genuine supranational government, with classical division of power between judiciary, legislative

and executive branches. But the similarity was sheer illusion as no supranational powers were granted to the institutions. Two organs are worth a special mention. The Executive Council, on the one hand replaced the Central American Office. Composed of the ministers of foreign affairs, it obviously duplicated the principal organ, but also entailed the elimination of the general secretary. As previously noted, the Central American Office had a hard time consolidating itself but further down the line it could have been converted into an embryonic supranational organ. Its replacement by a strictly intergovernmental body meant the foreclosure of such a path. When the region had to cope with another serious crisis, triggered by the 1969 short "soccer" war between Honduras and El Salvador, the absence of the Central American Office would be deeply regretted. The Economic Council, on the other hand, was no novelty, but its attributes were widely re-evaluated. Article 17 of San Salvador's new Charter posed that this council was to be responsible for the "planning, coordination and execution of Central American economic integration." It also added that every organ of economic integration would be part of the council. This intention to incorporate the economic integration process in the new ODECA institutional arrangement was problematic and deserves close attention, for it reflects the profound contradiction of that first generation of Central American integration.

In order to understand the importance of Article 17, we have to go back to the beginning of the 1950s, specifically 1951. That year, the first ODECA Charter was signed, and its institutional arrangements put in place, the Mexican office of the Economic Commission for Latin America and the Caribbean (CEPAL) sponsored the creation of a Central American Committee for Economic Cooperation (CCE), and organized its first meeting in August 1952 in Tegucigalpa, Honduras. While the newly created ODECA had an Economic Council, composed of the regional ministers of economics, and was in charge of making recommendations to "promote development and Central American economic integration," the CCE, composed of the same ministers, clearly duplicated its functions. However, while the ODECA was paralyzed right from the outset, the CCE took advantage of the CEPAL's technical and political support and met immediate success, creating an Advanced School of Public Administration for Central America (ESAPAC) in 1954 and a Central American Institute of Research and Industrial Technology (ICAITI) in 1955.

In June 1958, a multilateral treaty on free trade and Central American economic integration was signed and during the CCE's seventh

ordinary meeting, on December 13, 1960, the Central Americans went on signing in Managua a General Treaty of Central American Economic Integration and several other important agreements (one of them creating the Central American Economic Integration Bank, BCIE) that put the integration process on a promising path. The next decade was indeed a successful one for Central America in the realm of economic integration. Intra-regional trade was liberalized in less than five years and grew impressively, and a common external tariff was adopted. Intra-regional trade grew from a negligible 6.8% of the total exports in 1960 to a robust 26% in 1968.<sup>23</sup>

This success totally overshadowed ODECA, which lost its momentum. The Central American Economic Integration Secretariat (SIECA) became the backbone of the integration process, and ODECA became irrelevant. Its 1962 charter would indeed never be ratified.

In short, the project of building a political project of integration that included an economic dimension failed. In a way, CEPAL's conception of a depoliticized integration prevailed. In 1967, Joseph Nye was quite right to assess that "the past history of political union and its current residue both of lessons learned from previous mistakes and as a political ideal, provides part of the explanation of the success of Central American economic integration. But a century and a half of history, including the comparative experience of ODECA and CCE during the 1950s, demonstrates that the ideal of political union is a dangerous medicine healthful only in small doses."<sup>24</sup>

If, as Haas mentioned in 1961, a "conflict resolution is a particularly interesting indicator for judging progress along the path of integration,"<sup>25</sup> than the July 1969 war between El Salvador and Honduras was a clear manifestation of that political failure. It has been rightly called a war of disintegration.<sup>26</sup> Article 1 of ODECA's charter mentioned that one of the Organization's aims was to secure a pacific resolution of any conflicts that might emerge in the region.

The war was in a large part due to an overreaction of the Honduran government confronting a flow of Salvadoran migrants occupying public lands in Honduras. The 1968 Honduran agrarian reform excluded the foreigners from the benefit of redistributions, therefore many Salvadorans were brutally sent back to their overpopulated country. The Salvadoran army started to invade Honduran territory on July 14, but a ceasefire was declared four days later.

This short but bloody war (3,000 dead, 100,000 displaced) is also of much interest when reflecting on the relation between integration and peace. Honduras and El Salvador had always been very much

“integrated” before 1969. The two countries even had a limited free trade agreement since 1916. But the benefits of the Common Market’s induced trade explosion during the first half of the 1960s were unevenly distributed. Honduras was clearly on the losers’ side. Its exports represented more than 26% of the total intraregional exports in 1960. These dropped to less than 10% in 1969.<sup>27</sup>

During its “hegemonic” period,<sup>28</sup> the CEPAL had suggested a policy of integrated industrialization that ideally would have benefited countries such as Honduras and Nicaragua that were lagging behind. A Regime of Integration Industries was actually adopted in 1958, but it never got much support in the region. Also, it was definitely opposed by The United States as it contradicted its conception of free trade and equated to monopoly creation. As a result of the war and deep frustration about its economic performance, Honduras decided to withdraw from MCCA in 1970. It would remain out of the regional integration scheme until 1992.

### **Central America in the 1980s:** **Resolving a Regional Crisis**

During the 1980s, Central America suffered a multidimensional crisis. My intention in this section is not to offer a detailed analysis of that crisis.<sup>29</sup> Nevertheless, it is necessary to bear in mind that this is a different type of crisis to the 1950s’ one previously mentioned.

Back in the 1960s, as the economic integration generated an acceleration of intraregional trade, a series of problems emerged as byproducts of the industrialization and modernization process. In the countryside, the introduction of new “production” such as cattle provoked a drastic concentration of land tenure. Likewise, the installation of big units for industrial production ruined the small producers. Social unrest was everywhere the result of these economic changes, and during the 1970s, every Central American country was concerned with some kind of crisis. The way these crises developed was, by and large, a product of each national historical path. Civil wars broke out in Nicaragua and El Salvador; they had been already raging in Guatemala since the 1960s. In Costa Rica and Honduras, social movements did not arm themselves, but voiced their discomfort loudly.

Each of these national crises followed its own path until the 1979 Sandinista victory in Nicaragua. The Sandinista revolution is an event quite comparable to the 1944 Guatemalan one, in the sense that it

defied the traditional homeostatic political order in the neighboring countries. Similarly, the Sandinista revolution took place in the context of cold war revival. During his campaign, Ronald Reagan made it clear that he wanted to rebuild the U.S. leadership in the world, after four years of weakness and humiliation. The 1978 Soviet invasion of Afghanistan and the seizure of hostages at the U.S. Embassy in Teheran made it more urgent for the U.S. administration to flex some muscle and tolerate no further challenges to its hegemony, especially in its own backyard.<sup>30</sup>

But unlike the Guatemalan revolution, the Sandinista revolution was not blessed by a good period of economic growth and, furthermore, had to cope with a severe economic condition, as the continent was hit by the debt crisis of the 1980s. During that decade, Central America was a focus of tensions between the United States and its allies on one side and Nicaragua, supported by Cuba and the Soviet Union, on the other. The Sandinistas overtly helped the Salvadoran and Guatemalan guerillas, and the U.S. sponsored a counterrevolution from Honduras and imposed an economic blockade on Nicaragua.

What until then were separate national crises turned regional, or even global. Not only did the Sandinista revolution have repercussions in the remaining Central American countries, but U.S. allies in the region coalesced to try and make sense of the crisis situation. As in the 1950s, the dominant interpretation that arose put the blame on the Sandinistas for all the trouble in the region.

To be more precise, three different visions were competing during the 1980s.

First, four Latin American countries took the initiative to offer a mediation aimed at preventing an escalation into all-out war. Mexico, Panama, Venezuela, and Colombia met in the island of Contadora on January 3, 1983, and elaborated a peace plan basically applying the UN charter's principles and asking the different countries to engage in a demilitarization process. The Contadora "Act for Peace and Cooperation in Central America" was sent to the Central Americans in June 1986, but with the exception of Nicaragua they unanimously rejected it.<sup>31</sup>

The second diplomatic initiative came from the U.S. administration. In the face of what he considered a national security issue, President Reagan appointed a bipartisan commission, presided over by Henry Kissinger, to make policy propositions. In its report, the Kissinger Commission pointed out the social problems of the region and the lack of democracy preventing social movements from having a channel to

express their demands, hence making it easy for the Communists to take advantage of their desperation. President Reagan converted this analysis into an action plan of his own conception, putting the emphasis on the necessity to force the Sandinistas out of office. The Reagan plan was essentially a war plan and the Central Americans courageously rejected it.

The third initiative was home made. On May 24–25, 1986, Guatemalan president Vinicio Cerezo invited his four Central American colleagues to a regional summit in Esquipulas (Guatemala). The four “democratic” and anti-Sandinist countries had already tried to build a “democratic coalition” in order to discuss the best way out of the crisis, but the 1986 Esquipulas meeting was the first one including Nicaragua’s President Daniel Ortega. Interestingly enough, the presidents agreed during the meeting on the necessity to foster regional integration as a means to restore peaceful relations in the region. I will return to this point later, but suffice it to say that the Esquipulas Declaration mentioned the creation of a regional parliament and institutionalized the Presidential Summits. During the second Central American summit on August 7, 1987, the five presidents agreed to sign the Esquipulas II Accord, or Arias Peace Plan. Costa Rican president Oscar Arias had master-minded a peace plan that put the emphasis on the necessity to pacify the region by democratizing its political regimes. By 1987, El Salvador, Honduras and Guatemala had already gone through show case democratic transition processes, more or less imposed by the United States,<sup>32</sup> and as for Costa Rica, its democratic credentials were firmly established. The implicit objective of the Arias Peace Plan hence was to convince the Sandinistas to hold free elections, betting that they would lose.

Eventually, the Arias Peace Plan would prove to be successful. The Sandinistas agreed to call for elections on February 1990, nine months ahead of schedule. In a highly exceptional move for a revolutionary leader, Daniel Ortega lost the elections to candidate Violeta Chamorro and stepped back from power. Although Ortega admitted having lost the elections but not the power, Nicaragua had just closed a period of eleven years of Sandinista revolution, and the Central Americans considered that the regional crisis was over.

In the remainder of this section, I want to stress on the effects that the Arias Peace Plan has had on region integration.

The Plan or “Procedure for the Establishment of a Firm and Lasting Peace in Central America,” called for national reconciliation, an end to outside aid for guerillas, a general ceasefire, peace talks in each country,

and a ban on the use of one country as a base for attacks on another. The Plan set specific guidelines and a timetable to comply with its objectives.

Regional diplomacy had always been very active during the first half of the 1980s, but the implementation of the Arias Peace Plan definitely made cooperation efforts go up another level, and acted as an incentive for many to upgrade their regional commitments. Each of the Plan objectives' enforcement entailed the reactivation of an old regional agency or the creation of a new institutional arrangement. The point I want to make is that this collective work of crisis resolution has unintentionally reactivated the regional integration process. The institutionalization of the Presidential Summits, and then of the vice-presidential ones and the proliferation of negotiating bodies have had a triggering effect.

Since the objectives of the Plan were rather general, they had to be translated into more precise ones, through a hierarchy of bargains. Hence, the enforcement took a cascading pattern. Let us take one example: One of the most central objectives of the Arias Peace Plan was national reconciliation. Classically, this can have a political or a military meaning. In the Central American context of the time, political reconciliation entailed democratization and the return of refugees. Military reconciliation entailed disarmament, the end of outside military assistance and fighters' demobilization. For each of these second-level objectives, the Central Americans mobilized existing enforcement agencies (mainly from the UN) or had to create new ones, as shown in figure 2.4.<sup>33</sup> Without a doubt, the provisions of the Central American Peace Accord were complicated to comply with. But again, I wish to stress the collateral collaborative dynamics generated by the whole exercise.

Another example is worth mentioning. Probably one of the most critical issues the Central Americans had to tackle was the return of refugees and displaced persons. Point 8 of the Esquipulas II Accords posed that "The Central American governments undertake to address, with a sense of urgency, the problem of the flow of refugees and displaced persons caused by the regional crisis, by means of protection and assistance, especially with regard to health, education, employment, security and, furthermore, to facilitate their repatriation, resettlement, or relocation, provided that it is of a voluntary nature and takes the form of individual cases."

To comply with each of these provisions required some institutional arrangements. Again, as shown in figure 2.5, the Central Americans used existing international agencies and progressively created new

ones.<sup>34</sup> Other examples could also have been discussed. The point is that the efforts deployed to comply with the Esquipulas II Accords' provisions boosted political cooperation in the region. How did Central America evolve from this collaborative dynamic to a reactivation of its integration process? A series of factors can be evoked.

First, at the presidential level, the summits initiated in 1986 became institutionalized on a bi-annual rhythm basis. Following the Esquipulas II Accords, the summits were supposed to receive reports from the International Verification and Follow-up Commission, regarding the implementation of the Plan, but as we shall see in chapter four, they rapidly decided to rebuild the whole institutional framework of the integration process. Another summit, of vice presidents, was also institutionalized. Second, in point 4 of the Esquipulas II Accords, the Presidents "expressed their wish to move forward with the organization of the Parliament" proposed in the Esquipulas declaration of May 25, 1986. They even called for simultaneous elections "in all the countries of Central America in the first six months of 1988." The Arias Peace Plan hence not only reactivated regional integration but enriched it with a new parliamentary dimension. Third, new topics surfaced on the regional agenda. In the realm of health, culture, and education, Central American regional integration had not been inactive. As a matter of fact, Central America already had a very broad agenda of integration, with some agencies created in the 1950s. But there is no reason to doubt that they received renewed attention as the refugee problem was placed at the top of the agenda. Fourth, during their tenth summit, held in San Salvador, El Salvador, on July 15–17, 1991, the presidents decided to give their regional organization a new start. The San Salvador summit announced the creation of the Central American integration system (SICA) as a "reformed and actualized ODECA." I will detail this new effort to bring some coherence to the process in chapter four. Fifth and finally, the private sector played an important role during the regional crisis in keeping the integration process alive. Not only did some regional trade manage to carry on in the midst of raging wars, but FEDEPRICAP, the main regional private-sector umbrella organization, offered a collaborative hand to the governments to design crisis solutions.<sup>35</sup> Of course, during the 1990s the private sector took advantage of the restored climate of peace to boost regional business. I will come back to the content of the integration reactivation in chapter four.

A last point deserves attention. The 1980s witnessed a dramatic increase in border tensions, although they never escalated into war, as

in 1969. Significantly, the reactivation of regional integration induced by the crisis collective solution did not make all border disputes disappear.

Among the principal tensions were: Guatemalan claims over a portion of Belizean territory (as a matter of fact, it took ten years for Guatemala to recognize the independence of Belize granted in 1981 by the British government); El Salvador, Honduras, and Nicaragua involved in a dispute over the Fonseca Gulf; Nicaraguan, Honduran, and Colombian claims over Caribbean islands; Nicaragua and Costa Rica periodically questioning the status of the San Juan River on their border, and Panama having trouble controlling the flow of Colombian refugees. In 1995, the signing of a Border Sustainable Development Plan did not put an end to the rivalries, nor did several transborder cooperation initiatives.<sup>36</sup>

Despite the reactivation of the integration process in the 1990s and 2000s, border tensions reappear from time to time, mostly because of some isolated incidents being exploited for domestic political reasons. They do not jeopardize regional integration, but certainly prevent the region from being a “security community.”

### Conclusions

What can be concluded for now is that the reactivation of the Central American regional integration process in the 1990s is a residue from the collective regional crisis-resolution efforts. The Esquipulas II Accords constitute a critical juncture that opened a new era, putting the integration process on a new path. The collective problem-solving efforts clearly triggered an increase in the level of interaction.

Drawing a parallel with the 1950s, we can see now that there is a clear difference. While in the 1950s the integration process has been used as an instrument of crisis-resolution (ODECA as a proxy for U.S. anticommunist strategy in the region), during the 1980s a crisis-resolution instrument (Arias Peace Plan) triggered a reactivation of the integration process.

Pushing the comparison a step further, we also see that the external intervention during the 1950s (the United States ridding the region of the Guatemalan revolution) precluded the Central Americans making a collective effort to solve their own crisis. On the contrary, during the 1980s, the internal origin of the crisis resolution (Arias Peace Plan) has induced the Central Americans to work together to implement their

plan. In the former case, the external crisis resolution tends to depoliticize the integration process, and during the 1960s, as the political dimensions of integration faded away, the commercial one became very successful.<sup>37</sup> In the latter the internal crisis resolution tends to politicize it, and in the 1990s as we shall see later, the Central Americans try to give a new political meaning to their integration process, creating a Central American System of Integration (SICA).

Putting these two experiences in a broader historical perspective, there seems to be a pattern of U.S.-sponsored reconciliation and tentative reunification that consistently failed (1907–1922). Although the treaties signed brought momentary peace, the deterrence factor was the U.S. military threat and there was no lasting regional political settlement. In the 1980s, the domestic source of pacification (Arias Peace Plan) provided a different framework of regional political settlement.

A third level of comparison can be tentatively embarked upon. The depoliticization of the integration process during the 1960s occurred in times of state interventionism, while the politicization of the 1990s occurred during the neoliberal era. This should not come as a surprise if by politicization I mean an attempt to elaborate an overall project, including all other dimensions of cooperation. During the 1960s, with military regimes in all Central American countries except Costa Rica, only a sectoral dynamic of integration was compatible with the strict defense of national sovereignty. During the 1990s, democratically elected Central American Presidents were eager to offset their relative political domestic powerlessness by building a regional project. I will elaborate more on this compensation strategy in chapter four, but the opposition of the two periods ought not to be overestimated, as far as politicization is concerned. During the 1960s, the nationalistic mood of the military regimes did not prevent them from building regional institutions, such as the Central American Clearing House, the Central American Monetary Council, the Regional Telecommunications Commission, or the Central American Corporation of Air Navigation Services. Likewise, during the 1990s the politicization of the integration process was an incentive to sign new protocols, but as the momentum of the Esquipulas process was progressively lost, the commitment to push for deeper integration disappeared.

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## CHAPTER THREE

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### *Building a Collective Defense of Democracy*

As noted in the introduction, the processes of regional integration and democratization have been unfolding simultaneously during the 1980s and 1990s in Latin America. Between 1979 and 1990, thirteen Latin American countries went through transitions to democracy and at the same time managed to resuscitate regional agreements or launch new ones.

Was it mere concomitance? Did the governments pursue different types of objectives, political and economic ones, separately? Or did they in some way link democratization and regional integration? This chapter shows that some treaties signed in the 1990s had explicit political objectives. The idea was to give democracy a chance by deepening interdependence in the region and building a collective device to strengthen it. Regional integration was supposed to bring prosperity, and in turn economic growth would help consolidate democracy.

Before I turn to empirical illustrations of that assertion, focusing mainly on the case of MERCOSUR, some theoretical considerations are useful. The way regional integration and democratization can be related has been strangely ignored by the literature.<sup>1</sup> The example of the European Union is also worth mentioning because it has been a constant source of inspiration in Latin America.

#### **Integration and Democratization: Theoretical Reflections**

Although, in part 2, I am concerned with the political instrumentalization of regional integration and in this chapter with the particular case of democratization, it might be wise to start by noticing that for many

scholars, regional integration works best with democratic regimes. For some, democracy is even a prerequisite for integration. If this is the case our concern loses its relevance. Regional integration is a club of already democratized countries and as such does not contribute to democratization.

Before I discuss this assertion on theoretical grounds, let us first remind ourselves that in Latin America as elsewhere in the world, regional integration has not always been associated with democratic countries. During the 1960s' first wave of regionalization, there were very few democratic regimes in Latin America, and the Council for Mutual Economic Assistance (COMECON) was an interesting experience of integration between European communist countries.

The literature has been excessively influenced by the European case, where democratic countries of more or less the same size and power (if we take Belgium, the Netherlands, and Luxembourg all together) embarked upon a sectoral cooperation that progressively became politicized. With this case in mind, many scholars have posited that democracy was a necessary condition for successful regional integration.

Haas and Schmitter's already aforementioned background conditions, for instance, included size and power of units, rate of transaction, degree and kind of pluralism, and mutual complementarity of national elites.<sup>2</sup> They did not mention democracy, but they reckoned that their "modal pattern of successful politization of economic unions, the element of automaticity to which I have called attention is provided by the internal logic of industrialism, pluralism, and democracy," and they searched for "functional equivalents to the European attributes which are obviously lacking" in Latin America.<sup>3</sup> That is, in their eyes, democracy is not a necessary condition, yet there ought to be functional equivalents. And since they did not find them in "transitional" Latin American polities, their projections on the future of Latin American integration was quite pessimistic.

Moreover, neo-functionalists have underlined that the spill-over mechanism works better when different actors are granted power quotas, allowing them to negotiate their contribution to the regional institutional arrangements. Such a situation entails that they enjoy margins of maneuver in their domestic political arena and that they can find allies in other member States. From that perspective, concentration of power is clearly an obstacle, and the most favorable political setting is a democratized regime. It could be added, almost in the same vein, that

the more social groups involved in the process the better. Or in other words, the more “modern” and pluralist the social structures, the wider the scope of integration, as many groups are contributing to the elaboration of the regional agenda. Regional integration in that case looks like a regional participatory democracy or polyarchy, where there can be a central institution, but a variety of actors are associated with the decision-making process.

Still following the neo-functional logic, it can be added that the transfer of loyalties is easier to conceive in democratic regimes, in so far as they can tolerate multiple allegiances. Freedom of movement is more easily associated with liberal regimes. As regards elite complementarity, Haas and Schmitter had in mind the way “corresponding groups in the national settings are inspired by similar or different values.”<sup>4</sup> Although they did not refer specifically to democratic values, it makes sense to include them.

Democracy provides a very favorable environment for the type of regional integration the neo-functionalists had in mind. They bumped into a contradiction, however. On one side, in a region only composed of democratic regimes actors will share values and have a valuable base from which to build institutions. On the other side, democracy means elections and a possible politicization of the integration issue that can slow down the process, as well as multiple veto points that can paralyze it. In which case, democracy is the lesser of the two evils, since authoritarian regimes are no guarantee of depoliticization. There might not be public debates about foreign policy choices in an authoritarian regime, but there can be political orientations favoring regional integration or not, and debates inside the military institutions regarding the risks of relinquishing sovereignty.

In short, neo-functional arguments incite us to cautiously consider democracy as a favorable condition to integration, definitely not as a necessary one.

Nevertheless, I am more interested in this chapter in reversing the argument and elucidating the way regional integration can nurture democratization. This can be the case in two different ways. On one hand, regional integration can entail constraining institutional arrangements; on the other, it can shape the actors’ behaviors.

In order to evaluate the institutional arrangements’ contribution to democracy, we first have to pay attention to the initial steps of the integration process. The institutions that develop find their origins in the initial juncture that launched the process and in the intentions of

their promoters. Every integration process has a memory of its first steps often embodied in a treaty. In turn, a treaty is the product of a compromise of national interests, and every national preference is in itself the product of a compromise of sectoral private interests. In a way it could be argued that democratization and regional integration are two sides of the same coin. They are both products of negotiations that often lead to a pact. They both consist in submitting political offers to the rule of reaching a compromise among competing interests. However, there is a false dichotomy between an internal or domestic pact (democratization), and an external or international pact (regional integration). No strict separating line between the two can be drawn though, since we are dealing with the same actors negotiating in two different but related arenas, following a two-tier game logic.<sup>5</sup>

If we accept that idea, then we have to wonder how long the memory of this double pact can last and continue to produce constraining effects. Many intervening variables could be mentioned, among them internationalization that “affects the opportunities and constraints facing social and economic actors and therefore their policy preferences.”<sup>6</sup> Internationalization can push new actors to the forefront of the political arena, eventually affecting the nature of the political regime. New political configurations can also emerge from electoral processes, with different commitments to integration. Finally, there can be crises and setbacks within the integration process requiring a reactivation. Relaunching, as well as deepening or enlargements, can act as new pacts whose effects can overlap with those of the original treaty. In short, there are many reasons to believe that the institutional arrangements have constraining effects. However, there is a great deal of plasticity in these effects. A regional integration process can “lock-in” the transition to democracy, but this “lock-in effect” remains fragile as it is related to the conditions that prevailed when the arrangements were negotiated.

For the sake of neo-functionalists arguments, it could be mentioned that if the spill-over effect is in operation, the gradual politicization of the process will lead the member states to relinquish sovereignty to a degree where they will ultimately lose control over their political regime and become interdependent. This is even more so in the case of the building of political unions such as federations. In other words, the dynamics of integration can entail a progressive harmonization of political regimes, even though this type of standardization ought not to be exaggerated. The literature on “arenas of democratization” or on

the opposite “authoritarian enclaves” has shown us that there can be considerable variety in terms of democratic regimes at the local level.<sup>7</sup> There is no reason to think otherwise with regard to international settings.

Finally, institutional arrangements’ contribution to democracy can also take the shape of democratic conditionality, as the European case has shown. I will briefly discuss that point in the next section.

We have seen three different structural effects of regional integration on democratization: initial critical juncture, spill-over, and conditions of eligibility. None of these effects can operate without the actors’ involvement. Actors’ behaviors are shaped by the institutions, a dimension mentioned by Philippe Schmitter years before the explosion of neo-institutionalism. According to him, “politically relevant actors” do often reevaluate the scope and level of their commitment to regional institutions.<sup>8</sup> He described “crisis-induced decisional cycles” where the actors learn from past experiences. Schmitter and Haas rightly pointed out that the actors are constrained by the type of decision, and make distinctions between issue areas. As mentioned in chapter one, some topics are more controversial than others as they potentially entail different losses of national autonomy. As regards Latin America, it should be added that it is also necessary to take into account the degree of compliance of the decisions made. Some important decisions made in very risky fields of action can very well never be enforced and hence remain purely rhetorical. There is not much of a “political integration by jurisprudence”<sup>9</sup> in Latin America.

This last limitation notwithstanding, regional integration tends to socialize the actors involved. Different dimensions can be scrutinized, like mutual trust, empathy, consideration, loyalty, solidarity, and so on. Standardization of social conducts can result from long negotiations, or more generally, once the integration process is on track the acceleration of mutual relations can end up deepening interdependence ties between societies. From this perspective, it becomes easier to imagine how an integration process can contribute to a standardization of political values and the consolidation of a common cross-borders commitment to democratic values. As Karl Deutsch did, it might be of interest to pay attention to such indicators as trade, tourism, migrations, travel, and so forth to evaluate the degree of circulation of ideas. Democratic consolidation would not only progress thanks to official negotiations but also from below thanks to the flows of communications and transactions.

### **Integration and Democratization: A European Exemplarity?**

As we shall see in the next section, some Argentine and Brazilian leaders had the European example in mind when they thought of upgrading their bilateral cooperation in the midst of their transitions to democracy. It is therefore important to describe, even very briefly, the European case in order to better understand their intentions, or at least to be able to evaluate the perceptions these intentions were based upon.

Southern Europe, namely Spain, Greece, and Portugal, illustrates the way integration and democratization are intertwined. Consider the Spanish case.<sup>10</sup> General Franco had in 1957, given his dictatorial regime a very liberal orientation that fostered economic growth during the 1960s. In 1961, Greece became the first European State to sign an Association Agreement with the European Economic Community (EEC). The same year, the Social Democrat and German member of European Assembly, Willi Birkelbach, issued a report in the name of the Assembly's political commission, mentioning the idea that the EEC should impose political conditions on membership and suggesting the inclusion of democracy among them. As this report was not legally binding, it did not prevent General Franco from asking for negotiations in order to sign an association agreement. He was well aware that the original treaties were mute as far as conditionality is concerned. The 1957 Treaty of Rome's article 237 simply states that "any European State may apply to become a member of the Community."

During the 1970s, Spanish claims for membership became more pressing as the economic bonanza was slowing down. Some groups, representing the modernized sectors of the Spanish economy started to push for the democratization of the regime, maybe not so much because of their convictions, but as a strategy to satisfy the EEC's growing concern about political conditions for membership. In 1972, during its Paris summit, the EEC issued a statement where the heads of States "reaffirm their determination to base the development of their Community on democracy, freedom of opinion, the free movement of people and of ideas and participation by their peoples through their freely elected representatives."<sup>11</sup> The next year in Copenhagen, the nine EEC foreign ministers introduced the notion of "European identity" into their common foreign relations. As part of the "fundamental elements of the European identity," their December 14, 1973 document included "the principles of representative democracy, of the rule

of law, of social justice and of respect for human rights.” Furthermore, they made it clear that “in future when the Nine negotiate collectively with other countries, the institutions and procedures chosen should enable the distinct character of the European identity to be respected.” Another progression was accomplished in the same city in 1978, when the European Council adopted a Declaration on Democracy which is coherent with the decision to hold direct elections to the European Assembly. In the Declaration, the nine heads of State “solemnly declare that respect for and maintenance of representative democracy and human rights in each Member State are essential elements of membership of the European Communities.”

The European Commission had signed in 1970 a preferential trade agreement with Spain, but did not envisage full membership. Franco’s death in 1975 broke the country’s ostracism, as a transition to democracy was masterminded by King Juan Carlos. Charles Powell rightly reminds us that “in his enthronement speech of November 1975, King Juan Carlos proclaimed Spain’s renewed commitment to full integration in Europe’s major institutions” and that “by so doing, those in power effectively invited the EC to monitor developments in Spain and pass judgment as to when and how the political requisites for membership should be met.”<sup>12</sup> In 1977, the Moncloa agreements and Spain’s first free elections in thirty years opened the door to negotiations. In 1985, Spain would finally become a member of the European Community.

There is no doubt that Spain provides an emblematic example of the linkage between regional integration and democratization. As Schmitter puts it: “More than any other international commitment, full EU membership has served to stabilize both political and economic expectations. It does not directly guarantee the consolidation of democracy; it indirectly makes it easier for national actors to agree within a narrow range of rules and practices.”<sup>13</sup>

A quick reference to the 1990s is also of interest. Post-cold war Europe faced the challenge of its reunification in a context of a deepening of its integration process (single market, single currency). The new candidates from central and eastern Europe were not only going through a transition to democracy, but also painfully trying to build a market economy. In 1993, the European Council, in its Copenhagen meeting, offered its support for the reforms, but decided to impose economic and political conditions on accession. The Council mentioned that “membership requires that the candidate country has achieved stability of institutions guaranteeing democracy, the rule of law, human rights and respect for and protection of minorities, the existence of a

functioning market economy as well as the capacity to cope with competitive pressure and market forces within the Union.”

In accordance with its announced intention to “follow closely progress in each associated country towards fulfilling the conditions of accession to the Union,” the EU only selected five countries in 1998 as possible members: Hungary, Poland, Czech Republic, Slovenia, and Estonia. Nevertheless in 2004 ten new countries would eventually join the Union, only leaving Bulgaria and Romania to be integrated in 2007.

The eligibility criteria had changed but some flexibility had also been introduced. Regional integration in Europe was a new device designed to consolidate not only political but also economic reforms. We shall see that in Latin America, regional integration would also be instrumentalized to lock-in neoliberal reforms.

### **The Politicization of Latin American Integration**

Building on the preceding discussion, I logically have to begin by assessing the different types of contributions regional integration can make to democratization: initial juncture, spill over, conditions of eligibility, and socialization. Some of these dimensions will be discussed in more details in the next chapters. Part 3 will be dedicated to the study of institution building and will include a comment on the spill over dynamic. Chapter seven will shed some light on the integration from below and the socialization process. As regards the conditions of eligibility, suffice it to say that none of the Latin American integration processes under consideration has ever included one. Nonetheless, they all currently include a democratic clause, which is quite different, as we shall see later on in this chapter.

For the time being, I will limit my comments in this section to the initial junctures and intentions, and focus on the types of regime. My goal is to evaluate the degree of politicization of the agreements. As shown in table 3.1, the two different waves of integration ought to be distinguished.<sup>14</sup> During the 1950s and 1960s, there were very few democratic regimes in Latin America. Some progressive military regimes such as the Peruvian one between 1968 and 1975 openly favored regional integration, in the name of anti-imperialism, but what draws out attention is the diversity of regimes. As mentioned in chapters one and two, this diversity prevented the governments from setting collective political objectives, other than fighting communism in Central

America at the onset of the cold war. In addition, as already mentioned, the main promoter of regional integration, the Economic Commission for Latin America and the Caribbean (CEPAL), had a depoliticized technical conception of regional integration.

Treaties such as the 1960 Montevideo one giving birth to the Latin American Free Trade Association (ALALC) were strictly technical, avoiding the mention of any political ambitions, without even a vague reference to the eternal Latin American brotherhood. Twenty years later, the 1980 Montevideo treaty converting ALALC into the Latin American Integration Association (ALADI) was cautious in its third article, positing that “in the implementation of the present treaty,” “the member countries shall bear in mind the following principles: a. Pluralism, sustained by the will of member countries to integrate themselves, over and above the diversity which might exist in political and economic matters...” The 1969 Cartagena Agreement (Andean Pact) was also mute about political objectives. Central America would be the only exception with respect to this pattern of depoliticization. The 1951 ODECA Charter indeed evoked a “fraternal community” and the ambition to strengthen it.

There is another exception though, that will be further discussed in chapter six. On December 7, 1964, some 160 parliamentarians from 14 countries gathered in Lima to create the Latin American Parliament (PARLATINO), in order to “promote, harmonize and canalize the movement towards integration.” As a representative body of Congresses and Legislative Assemblies of the Continent, it aimed at defending “the full effectiveness of freedom, social justice, economic independence and the practice of representative and participative democracy.”<sup>15</sup> It was not an intergovernmental initiative, but rather a desperate intention on the part of parliamentarians from fourteen countries to keep some form of democratic debate alive, in the midst of military coups all over the continent. An institutionalization treaty would later be signed in 1987.

In a way, the 1980 Montevideo Treaty can be considered the last of a depoliticized generation of agreements. The ideas of “unity in diversity” or “integrative pluralism” would soon vanish as the period of transitions to democracy made its opening at the end of the 1970s and beginning of the 1980s.

The first treaty of the new, more politicized generation of agreements was signed in the Andean region, which should not come as a surprise given the precocity of its transitions to democracy and its experience in the realm of regional integration. The October 25, 1979 Treaty

establishing the Andean Parliament was the first of the democratic era. It started with announcing its unequivocal intentions: "Convinced that popular participation is necessary to ensure the consolidation and future projection of the global integration process of Andean countries; Conscious that it is indispensable to create a mean of common action to affirm the principles, values and objectives that identify themselves with the effective exercise of democracy."<sup>16</sup> Beyond these intentions, it stated in its second article that each member country would designate their representatives through direct elections, making it impossible for the five Andean countries to break away from democracy. True, article 2 also mentioned that the member countries would adopt an additional protocol including the criteria of representation, and article 3 stipulated that in the meantime each national parliament would choose representatives among its members.<sup>17</sup> Potentially, these dispositions could give democracy time to consolidate. As a matter of fact, as we will see in chapter six, the Andean Parliament long remained paralyzed.

What draws our attention here, are the intentions of the Member countries and the symbolic relevance of such a treaty. Timing and sequences are particularly important to stress. It did not escape any observer's attention that the treaty was signed the same year the Europeans organized their first elections for the European Parliament. Nevertheless, what is even more interesting is to underline the domestic situation of each Andean country at the time of signing the Treaty. In October 1979, Venezuela and Colombia could easily plan to hold democratic elections as their democratic regimes had been firmly consolidated since the end of the 1950s. Ecuador's transition to democracy started in 1976 and after two election rounds in July 1978 and April 1979, the military rule ended on August 10, 1979 with the inauguration of the first civilian regime in Latin America's third wave of democratizations. In October 1979, the newly elected president Jaime Roldós Aguilera could sign the Treaty. The situation was very different in Peru and Bolivia who were in the midst of their transitions. Peruvian president General Morales Bermúdez announced a transition to democracy on July 1977, then elections for a Constituent Assembly were held on June 18, 1978, and on July 12, 1979 a new Constitution was proclaimed. The first presidential elections of the new democratic era would be held in 1980. In October 1979, Peru is therefore firmly engaged in a relatively peaceful return to democracy.<sup>18</sup> Bolivia's situation was a bit more complicated. An internal coup in November 1978 brought to power some progressive segments of the Armed Forces. In the midst of social unrest, General Padilla called for elections in

1979. Bolivia then held three consecutive elections in 1979, 1980 and 1981, none of them allowing a clear winner, and each of them being followed by a coup. Civilian president Hernán Siles Zuazo, a leftist politician who had won the 1979 elections, would eventually take office in October 1982. Bolivia signed the Treaty in October 1979 with an interim civilian president, Guevara Arce, who had been appointed on August 8 and would be overthrown on November 1. In these circumstances of uncertainty, the signing of an international treaty having potential democratizing effects is at best wishful thinking, at worst denotes contempt for such documents.

The following year, on September 11, 1980, the Andean Community insisted on the same line, when the presidents issued a code of ethics (*Carta de Conducta*) in Riobamba, Ecuador, mentioning that their objective was to “build a sub-regional political order based on representative and participatory democracy” and reiterating that “the respect for human, political, economic and social rights is a fundamental norm of domestic conduct for the Andean countries.”<sup>19</sup> This document stands as the first international commitment to a universal defense of human rights, known as the Roldós Doctrine, Jaime Roldós being the president of Ecuador at that time.

Later in the 1980s, with more transitions to democracy achieved, the November 16, 1987 Institutionalization Treaty of PARLATINO stated in its second article that its first “permanent and inalterable” principle is “the defense of democracy.”<sup>20</sup>

### Defending Democracy through Integration

Other Latin American countries went through difficult times in the 1980s; their transitions to democracy took place in the severe context of harsh economic crises.

Consider first the story of MERCOSUR. The political context of its origin has not been sufficiently addressed by the literature.<sup>21</sup>

Argentina offers a dramatic scenario at the beginning of the 1980s. Born out of the 1976 military coup against Isabel Perón, the dictatorship had the ambition of “reorganizing” the whole society and managed to do so in a brutal way during the initial “dirty war.” Soon the Junta faced strong opposition from social movements, especially after 1980 when the economy entered a recession. The Falklands War (March–June 1982) was a dramatic attempt to deviate the attention of the Argentines from domestic problems. The military defeat precipitated