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Theoretical and Comparative Explorations

OLIVIER DABÈNE



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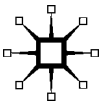
The Politics of Regional Integration in Latin America: Theoretical and Comparative Explorations
by Olivier Dabène

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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 AND PREFACE

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.[1]

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,[2] 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."[3]

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.[4]

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.

ACRONYMS [5]

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 Ameritas (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 Centraoamericana 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 Costal 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)
FECAMCO:	Federación de Camaras de Comercio del Istmo Centroamericano (Central American Chambers of Commerce Federation)
FECATRANS:	Federación Centroamericana del Transporte (Central American Federation of Transporters)
FECOP:	Federación Centroamericana de Organizaciones Comunales (Central American Federation of Community Organizations)
FEDECATUR:	Federación de Cámaras de Turismo de Centroamérica (Central American Chambers of Tourism Federation)
FEDEPRICAP:	Federación de Entidades Privadas de Centro América y Panamá (Federation of Private Entities of Central America and Panama)
FEDEPRODIS:	Federación Red Pro Personas con Discapacidad (Federation Network in Favor of Handicapped Persons)
FEM:	Fondo de Financiamiento del Sector Educacional 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 Centroaméricana (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:	Fondación 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 Politico 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:	Secratariado 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:	Tradato 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

PART 1

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

(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"[1] 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.[2] 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."[3] 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."[4] 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.[5]

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."[6] 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."[7]

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."[8] 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.[9] 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.[10] 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,"[11] 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.' "[12] Donald Puchala also adopted a sociological approach, considering regional integration as "the merger of peoples into a transnational society and polity."[13] 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.'"[14] 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."[15] Bruce Russet also emphasized not just collective war-avoidance strategies but more broadly mutual problem solving. The process of integration was for Russet "the process of building capacities for responsiveness relative to the loads put on the capabilities."[16] 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."[17]

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 peacebuilding 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"[18] (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."[19] 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.

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."[20]

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."[21]

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.[22] 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 Thimothy Shaw (eds.), *Theories of New Regionalism*, New York, Palgrave Macmillan, 2003, pp. 28–29.

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."[23] 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."[24] 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."[25] 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.[26] 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.[27] 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 forth 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 Bolivar (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."[28]

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. Bolivar 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. Bolivar 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."[29]

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.[30]

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 Marti, 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.[31] 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.[32] 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.[33] 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.[34]

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.[35] 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.[36] 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).[37] 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).[38] 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).[39]

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.[40] 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."[41] 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."[42] 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"[43] 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."[44] 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.[45] 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.[46]

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

Regional Group	*Date*	*Members*
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.[47] 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.[48]

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

Table 1.6 Interregional agreements

Group	*Year of Proposal*	*Promoter*	*Members*
- Free Trade Area of South America (FTASA)	1993	Brazil (Franco)	Argentina, Bolivia, Brazil, Chile, Colombia, Ecuador, Guyana, Paraguay, Peru, Surinam, Uruguay, Venezuela
- Initiative for the Integration of Infrastructure in South America (IIRSA)	2000	Brazil (Cardoso)	
- 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%.[49]

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).[50]

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;[51] 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,[52] 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.[53] 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."[54]

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 Word 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-functionalist authors 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.[55] 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."[56] 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).[57]

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."[58]

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,"[59] 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.[60] 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).[61] 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 (Bolivar), Ecuador (La Mar), and Bolivia (Santa Cruz).[62] 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.[63] 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."[64]

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."[65] 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."[66] 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."[67] 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.[68] Therefore, it will prove useful to use theoretical tools such as linkage politics,[69] double-edged diplomacy,[70] or internationalization[71] 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.[72] 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.[73] As Duina

demonstrated, free trade encompasses a certain vision of the world that varies from one accord to another.[74] 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 repoliticized. Hence there can be frequent permutations between means and ends, and crossed instrumentalizations between the political and the economic dimensions of integration.[75]

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,"[76] 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[77] 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."[78] But when Nye considers that "the problem in most underdeveloped areas is one of premature 'overpolitization' "[79] 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."[80]

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,"[81] 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."[82] 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."[83]

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."[84] 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,"[85] or the "guidebook to reality"[86] 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"[87] 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."[88]

In parallel, some aspects of the neo-functionalist theories can be used to explain the dynamics of institutional building. But likewise, classical arguments such as spill-around[89] 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.[90] 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.[91]

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"[92] 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.[93]

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.[94]

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."[95] 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.[96] 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."[97] 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.[98] The way José Caballero relates regional integration to a "socially 'enmeshed' state" is also very illuminating.[99]

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.[100]

PART 2

Political Instrumentalization of Regional Economic Integration

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CHAPTER TWO

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.[1]

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.[2] 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."[3] 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.[4] 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.[5]

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

in Latin America.[6] 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.[7] 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."[8] 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.[9] The process, however, generates contradictions, in terms of equity, engrenage,[10] 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.[11] 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.[12] 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."[13] 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.[14] 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.[15]

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.[16] It was not until the end of this century that they began to understand that peace should come first.[17]

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."[18] 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 lead, 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.[19]

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.[20] 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.[21]

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."[22] 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.[23]

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."[24]

If, as Haas mentioned in 1961, a "conflict resolution is a particularly interesting indicator for judging progress along the path of integration,"[25] 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.[26] 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.[27]

During its "hegemonic" period,[28] 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.[29] 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.[30]

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.[31]

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,[32] 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.[33] 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.[34] 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.[35] 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.[36]

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.[37] 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

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.[1] 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.[2] 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.[3] 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-functionalist 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."[4] 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-functionalist 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.[5]

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."[6] 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.[7] 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.[8] 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"[9] 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.[10] 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 though their freely elected representatives."[11] 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."[12] 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."[13]

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: Hungry, 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.[14] 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."[15] 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."[16] Beyond these intentions, it stated in its second article that each member country would designate their representatives though 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.[17] 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.[18] 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."[19] 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."[20]

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.[21]

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

the transition to democracy. General Galtieri stepped down and called for elections. On October 30, 1983, the Radical Civic Union (UCR)'s candidate, Raúl Alfonsín, won the presidential election and opened a new democratic era in the worst imaginable economic conditions. The 1982 Mexican debt default was having a snow-ball effect on the whole continent, especially in Argentina where the financial situation was already fragile. The debt crisis would hinder any attempt to implement redistributive policies in order to offset the important drop in the working class's purchasing power that resulted from years of pro-market policies. Alfonsín had the example of Spain in mind when he thought of a kind of "Moncloa Pact"[22] to moderate the Unions' claims for wages to increase and to promote a general reconciliation agreement, but he was unable to control the inflation and faced thirteen general strikes during his six year term. Furthermore, as far as human rights are concerned, Alfonsín faced a Catch 22 situation. On one hand he had to meet the demands for justice expressed by the families of the 30,000 missing persons, but on the other he had to be careful not to seek vengeance. The Armed Forces were firmly opposed to any kind of lawsuit, and when the trials did start they twice tried to seize power in 1987 and 1988.

By contrast, the Brazilian military forces that came to power in 1964 began to plan their return to the barracks as early as 1974. The Brazilian transition is a long story with no dramatic events comparable to the Falklands War. The incremental evolution toward democracy is punctuated by a series of electoral reforms designed to consolidate the military political party's control over the political system. Yet these maneuvers could not prevent the opposition from growing and gaining political space, and the Generals could only negotiate the "ticket" that would win the indirect presidential elections of January 5, 1985. As regards economic growth, the authoritarian regime's balance is quite impressive. Brazil's economy grew fast during the 1960s and 1970s, and the debt crisis only hit the country late in 1982–1983. The only element of uncertainty that plagued the process of transition was the death of elected president Tancredo Neves before he took office. Vice President José Sarney, who assumed the presidency, did not have the same credibility or the same legitimacy, as he was the politician imposed by the armed forces to balance the presidential ticket and neutralize Neves, the opposition leader.

Argentina and Brazil did not have many democratic periods during the twentieth century, and few analysts dared betting on democracy's chances of being consolidated this time around. Alfonsín was in a

very fragile position and he clearly articulated his foreign policy with domestic political preoccupations in mind. As Alfonsín's foreign minister, Dante Caputo once said, "our foreign policy is articulated so as to strengthen our democratic system."[23] For that purpose, he also had the Spanish example in mind. In December 1984 Alfonsín invited Brazilian presidential candidate Tancredo Neves for a first round of talks on how to defend democracy. According to a witness of that period, "strengthening of democracy was an issue raised in every conversation. One idea that merged from these talks was that of creating what could be called a network of protection for democracy in Latin America. What had to be done was to create a device not to resuscitate democracy after its death, but instead to make it stronger when it was being installed."[24] The same author recalled a lunch when Neves and Alfonsín talked about the necessity of building a network of defense for democracy.

Another Argentine witness remembers that "we always had this parallel between the EEC role and its influence upon the democratization of Southern Europe in mind." And he added, "we believed that the creation of a political and economic community between Argentina and Brazil could play the same role: a cooperative binational regime would contribute to the elimination of the risk that our respective states eventually return to the hands of the military."[25]

In a way, these conversations can be considered the birth act of MERCOSUR. The next year, on November 29–30, 1985, Brazilian and Argentine presidents, Sarney and Alfonsín, held a historical bilateral meeting in Foz de Iguazú, on the triple border between Argentina, Brazil and Paraguay. The purpose of the meeting was threefold. The two presidents inaugurated a bridge between the two countries, symbolically called Tancredo Neves, and signed two joint declarations.

These joint declarations are by all means important founding documents, as they put the relationships between the two countries on a new track and launched an increase in the level of bilateral interaction. Until then, Argentina and Brazil had not been the best of friends, to say the least. Taking a quick look at a map is enough to realize that for Brazil, the only country a military attack could come from was Argentina. As for the latter, the giant northern neighbor had always represented a potential threat. Both countries had a long history of rivalry and even went to war during the years 1825–1828. Beginning in the 1950s, the two countries engaged in a race to develop nuclear technology, and in the 1970s, the military regimes clashed about the administration of the great Paraná River.

At the end of the 1970s, the tensions between the two countries were eased by the signing in 1979 of a Treaty establishing a framework for managing their energy and water disputes. In May 1980, the two military rulers, the Brazilian Figuereido and his Argentine counterpart Videla, signed an Agreement on Cooperation for the Development and Application of the Peaceful Uses of Nuclear Energy.

Then the new political climate at the beginning of the 1980s opened a new era of democratic solidarity. Even prior to their democratic transitions, the two countries developed a new sense of solidarity as they resented the "arrogance" of NATO countries during the Falklands War. This experience also brought out a diplomatic collaboration and indirectly intensified trade relations. The Brazilian embassy in London secured the representation of Argentina's interests after the breaking of diplomatic relations between the two enemies of the war, and Brazil became Argentina's destination for some exports after the EEC imposed trade sanctions.

Going back to the 1985 Declarations signed in Iguazú by Sarney and Alfonsín, the first one was a Nuclear Policy Joint Declaration. This Declaration allowed the two countries to make a giant step in the direction of fostering mutual confidence and building a "security community." The Declaration stressed the exclusively peaceful use of nuclear energy and installed a joint working group. By the same token, this Declaration delegitimized the hypothesis of conflict so often used by the Armed forces to enforce their doctrine of national security.

The other important declaration, often called Declaration of Iguazú, was on economic development and consolidation of democracy. Interestingly enough, this Declaration inaugurated a circular type of thinking about democracy, development, and regional integration.

Point 9 of the Declaration stated that the two countries are trying "to find lasting solutions that will allow the governments to dedicate themselves to the primordial task of providing welfare and development for the people, and in doing so, contributing to the consolidation of democracy." Then in the last point, the presidents "reaffirm with emphasis that the process of democratization the Continent is going through will allow a larger convergence and integration between the peoples of the region." In other words, the presidents considered regional integration as an instrument of economic development, an argument typically put forth by CEPAL, and also, development as an instrument of democratic consolidation. Democracy, in turn, was supposed to strengthen regional integration.

Between 1986 and 1990, this circular logic was at work in many other joint declarations. Presidents Alfonsín and Sarney met four times between December 1986 and November 1988, and when Uruguay joined Brazil and Argentina in the discussion, it did not bring about any changes. Uruguay returned to democracy in 1985 after a period of nine years of authoritarianism and, although this country has a genuine tradition of democratic stability, it shared its neighbors' will to defend democracy in the region.

Consider the Argentine-Uruguayan Declaration issued on May 26, 1987, along with the signing of the Act of Montevideo. In its Second Point, it reads: "this process of integration . . . is the basic condition of our economic and social development possibilities, being closely associated with democratic institutionalization, without which it would fail, as it has so many times in the past."[26] The Declaration also mentioned the presidents' intention to implement a "policy of democratic solidarity" and it considered democratization as a necessary condition for regional integration, while regional integration was presented as an instrument of development that would ensure the consolidation of democracy.

The circular logic of integration, development, and democracy is in a way reminiscent of CEPAL's conception of regional integration, as it goes beyond free trade. I will discuss in more details in chapter seven the methodology of integration that characterizes the agreements signed by Argentina and Brazil between 1986 and 1990. They clearly had a CEPAL touch, as they insisted on integrated development projects, sectoral cooperation, macro-economic policy coordination, elimination of asymmetries, etc. Yet, they added a new dimension with the ultimate ambition of democratic consolidation.

At the end of the 1980s and the beginning of the 1990s, the region experienced a deep political change, as new political forces won the presidential elections simultaneously in three countries. The years 1989–1991 marked a critical juncture heralding a sweeping neoliberal turn in the region. Argentine Peronist Carlos Menem took office on December 10, 1989, followed by Uruguayan Luis Alberto Lacalle (National Party) on March 1, 1990 and Brazilian Fernando Collor on March 15, 1990.

Other countries in the region completed their transition to democracy. In Paraguay, which had recently joined the discussions to integrate a free trade agreement, a military coup on February 3, 1989, put an end to General Stroessner's firm control of power, effective since 1954. On May 1, 1989, the Colorado Party's candidate and author of

the coup, General Rodríguez won the election. In Chile, Pinochet's defeat in the October 5, 1988, referendum paved the way for the transition. On December 14, 1989, Christian Democrat candidate Patricio Aylwin won the first free elections since 1970. The environment was thus much less hostile to democracy in 1991 than it had been five or six years before, and the preoccupation for the construction of a network of democratic solidarity simply faded away.

It should be added that, as we will see in chapter nine, the United States launched on June 27, 1990, the Enterprise for the Americas Initiative (EAI), signaling a new will to put Inter-American relations on a new path, centered on free trade.

These three sets of reasons (neoliberal turn, regional diffusion of democracy, and the EAI) explain why the Asunción Treaty, signed on March 26, 1991, no longer shows any interest for the defense of democracy. The word "democracy" does not appear once in the Treaty for the Constitution of a Common Market between Argentina, Brazil, Paraguay, and Uruguay. The Treaty mentions that "the integration constitutes a fundamental condition for the acceleration of the processes of economic development with social justice" or "its political will to establish the basis for an union every time narrower between its people," but the link between regional integration and democracy has disappeared. On December 17, 1994, the Ouro Preto Protocol that gave MERCOSUR its definitive institutions did not mention democracy either.

Yet, interestingly enough, MERCOSUR's concern with democracy soon resurfaced. On April 22, 1996, a coup attempt in Paraguay seriously challenged the regional integration process. General Lino Oviedo refused to abide by President Wasmosy's decision to relieve him of his duties. The details of the April crisis have been recounted by several scholars.[27] Suffice it to say that this coup attempt triggered a unanimous and vigorous reaction of rejection among the MERCOSUR partners and other countries such as the United States. At one point during the crisis, President Wasmosy spent a night at the U.S. Embassy, technically as a refugee. Eventually, President Wasmosy would decide to nominate Oviedo, minister of defense, a move immediately questioned by young students in the streets of Asunción. He finally changed his mind and Oviedo was sentenced to ten years by a military court. Two years later though, recently elected president Cubas decided to commute his sentence and set him free. In March 1999, Vice President Argaña was killed and Oviedo was seriously suspected of having masterminded the operation. He and President Cubas took refuge in Brazil. On May 18,

2000 some of the militaries loyal to Oviedo tried to seize power, a move again energetically condemned by the international community.

During both crises, several actors expressed their frustration and threatened sanctions. Among them were President Cardoso from Brazil and international organizations such as the OAS, the UN, and the EU.[28] The April 1996 crisis occurred at a time when the MERCOSUR met success. Due to monetary stability and tariff reductions, intraregional trade increased from US$5 billion in 1991 to US$11.9 billion in 1994 and the ratio of intraregional export to total export jumped from 11.1% to 19.25%. Paraguay was already very dependent on its neighbors, but MERCOSUR deepened its dependency as its exports toward MERCOSUR increased from 35% of its total exports to 47% between 1991 and 1994, out of which 37% went to Brazil alone. Many observers have incautiously concluded that Paraguay had turned Brazil dependent, equating commercial ties with political leverage. This relationship has received wide attention in the literature, both theoretical and empirical. In the case of Paraguay, a fact has to be taken into account. This country's economy has always depended much more on smuggling than on regular trade, weakening the potential political influence of Paraguay's major trade partners.

In any case, as Strömberg concludes, "it is impossible to separate the influence of global actors from that of regional actors in the April crisis. The close coordination between MERCOSUR and global actors throughout the crisis suggests that it was the totality of external forces that halted the crisis."[29] Concerning one of the external actors, Boniface adds that "in this new democratic era, the OAS has clearly played a significant role in signaling support for democracy to domestic actors."[30]

There was at that time a genuine convergence of preferences benefiting democracy all over the continent and a subsequent politics of tying hands through agreements.

For MERCOSUR members it was time to go back to their initial intention of consolidating democracy. Argentina had already introduced democratic conditionality in its external relations. Fournier recalled the "Alfonsin administration's insistence on reshaping Argentina's relations with Western European countries, specifically in its successful attempts to incorporate cancellation clauses in cooperation treaties concluded with Spain in 1987 and Italy in 1988 to counter the possibility of a democratic interruption."[31]

The Paraguayan April crisis allowed MERCOSUR to upgrade its level of politicization. Two months after the crisis, the MERCOSUR

presidents issued on June 25, 1996 in San Luis (Argentina) a Presidential Declaration on Democratic Commitment, and went on signing the Ushuaia Protocol on Democratic Commitment on July 24, 1998 (table 3.1).[32]

This Protocol imposed a democratic clause upon the MERCOSUR members and as such represents a milestone in the history of Latin American integration. For the first time a group of Latin American countries tied their hands in the realm of political regime.[33] Following MERCOSUR's example, the end of the 1990s witnessed a diffusion of democratic clauses in the rest of the continent.

In the Andean region, differences of political regimes had been responsible for the initial depoliticization of the integration process. The 1979 Treaty establishing the Andean Parliament was the first one to introduce an obligation for its members to hold free elections, but as previously mentioned, it took a long time before it was enforced. The following year, the Andean presidents signed a "Code of Conduct," establishing the democratic nature of the region's political systems.

On May 26, 1989, celebrating the twentieth anniversary of the Cartagena Agreement's signing, and probably a bit impressed by the February 27, 1989 "Caracazo,"[34] the presidents issued in the same city of Cartagena a Manifesto positing in its second article that: "The democratic system constitutes the indestructible norm, the way of life and the correct instrument to preserve peace, achieve development and social justice, grant full respect of human rights and drive cooperation and integration between our peoples."[35]

During the 1990s, the authoritarian drift of Peruvian president Fujimori made it difficult for the integration process to remain on this path. Nonetheless, on August 7, 1998, a few days after MERCOSUR's Ushuaia summit, the Andean presidents adopted a Declaration on Democracy and Integration, establishing that "the Andean Community is a community of democratic nations." They went on to convert this Declaration into a Protocol on October 17, 1998 (table 3.2).[36] The English translations provided in tables 3.1 and 3.2 do not allow us to perceive the similarity between the two Protocols. For instance, they both use the expression "democratic breakdown" (*ruptura del orden democrático*) and both program the same range of measures in reaction to it. There is a slight difference though. The CAN, among other measures, intends to punish a recalcitrant Member State by a "disqualification by Andean financial institutions from obtaining access to facilities or loans." MERCOSUR had not yet reached this level of integration. Two years later, during a meeting between MERCOSUR and CAN,

held in Brasilia on September 1, 2000, the presidents approved a communiqué including a South American democratic clause.

In the rest of the continent, it could be mentioned that the reactivation of Central America's integration went hand in hand with the democratization of the isthmus. It is no wonder, then, that the new treaties signed in the 1990s all stressed the importance of democratic consolidation. The Central American Integration System (SICA) created on October 28, 1991, aimed at transforming Central America into a "region of peace, freedom, democracy and development." The Treaty on Democratic Security in Central America, signed on December 15, 1995, reaffirms the "commitment to democracy, based on a government of laws and the guarantee of basic freedoms, economic freedom, social justice, and the strengthening of a community of democratic values among the countries." Nonetheless, Central America did not adopt a Protocol similar to the ones of MERCOSUR and CAN, nor did the Caribbeans.

The collective defense of democracy then turned hemispherical when the April 2001 Québec Summit of the Americas adopted a democratic clause. Prior to that, the OAS had adopted, during its twenty-first General Assembly held in Santiago, Chile, on June 4–5, 1991, a "Commitment to Democracy" and a Resolution (1080) inviting the secretary general "to call for the immediate convocation of a meeting of the Permanent Council in the event of any occurrences giving rise to the sudden or irregular interruption of the democratic political institutional process or of the legitimate exercise of power by the democratically elected government of any of the organization's member states, in order, within the framework of the Charter, to examine the situation, decide on and convene an ad hoc meeting of the ministers of foreign affairs, or a special session of the General Assembly, all of which must take place within a ten-day period." Two important Protocols adopted in Washington (December 14, 1992) and Managua (June 10, 1993) would follow.

For the OAS it was nothing new, as the original 1948 Charter included a democratic clause. Nevertheless, the cold war made it impossible to use for decades. A new Charter entered into force on September 25, 1997, focusing on the promotion and defense of democracy. The new 1997 Charter even includes a chapter (7) on "integral development" that can be read as a wide arrays of elements characterizing the quality of democracy. Then, on September 11, 2001, the OAS adopted the Inter-American Democratic Charter. This new Charter forces OAS members to defend and promote democracy and

includes a democratic clause (table 3.3).[37] Using these prerogatives, the OAS twice had the opportunity to flex some muscle; in 2000, with regard to the Peruvian crisis, opposing Fujimori's intention to illegally secure a third election; and later in Venezuela in 2002, when Chávez was briefly ousted. In both cases, the OAS "intervened without intervention" and contributed to a settlement.[38]

This OAS commitment to democracy obviously strengthens the regional democratic clauses, giving them an assurance of wide support and hence stronger legitimacy.

Is it possible to assess the efficiency of the democratic clauses that have been adopted in the 1990s? Has regional integration contributed to consolidating democracy?

Enforceability obviously depends on the credibility of the retaliatory measures and on the perceived importance of belonging to the Club for each member. As we saw, a threat of ejection is bad news for Paraguay, much more than it would be for Brazil. In the Andes, as mentioned in chapter one, the degree of commercial interdependence is very low, making it doubtful that a member country would ever fear expulsion. Peruvian president Alberto Fujimori never faced any threat of expulsion when he shut down the Congress and revoked the mandates of all the judges, severely putting democracy in jeopardy. True, that happened in 1992, before the CAN adopted its democratic clause. But there are many reasons to doubt it would have been any different at the end of the 1990s. As a matter of fact, between 1991 and 1994 Fujimori decided to withdraw from the Custom Union, but for his own country's convenience. And as we saw, it was the OAS, not CAN, that vigorously reacted to confront crisis situations Peru in 2000 and Venezuela in 2002.

From the preceding developments and taking into account more recent events, two contradictory pictures emerge. On one side, it appears that belonging to a club of democracies can exert some symbolic influence on the members. Beyond commercial interdependence, what seems to be of importance is the normative influence of the rules commonly self-imposed. If this hypothesis holds true, politically relevant actors in a political regime fear the status of pariah more than possible sanctions. Or making projections, they fear reputational costs and loss of business confidence that might in the future divert investments. In that case, regional integration exerts a soft power helping consolidate democracy. In Latin America, regional integration has been successfully instrumentalized during the 1990s to consolidate democracy.

On the other side, the democratic clauses might be outdated by the new political instability that struck the region in the years 2000s, starting with Ecuadorian president Jamil Mahuad being overthrown in January 2000, followed by Fernando de la Rua in Argentina in December 2001, Gonzalo Sánchez de Lozada in Bolivia in October 2003, Jean-Bertrand Aristide in Haiti in February 2004 and Lucio Gutierrez again in Ecuador in May 2005. The qualification of these events is not an easy task. None of them has been considered as a case that could fall under the application of a democratic clause, a fact that has remained unnoticed. It could be that the democratic clauses are the late answers to a threat that, for now, has disappeared. Democracy at the beginning of the 2000s is not under any military threat, but is more undermined by its own poor quality. The result can be a democratic regression without breakdown. No integration process in Latin America, as we will see in chapter eight, has a distributive or even allocative dimension, preventing them from coping with the social problems that undermine democracy.

It can, for now, be concluded that regional integration processes have helped stabilize a very often poor-quality and rather unstable type of democracy. This historical task ought to be recognized, yet it raises the question of the existence of another "engine" that sustains the dynamics of integration.[39]

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PART 3

Design and Development of Institutions

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CHAPTER FOUR

Institutional Isomorphism

What are the main characteristics of Latin American regional integration's institutional arrangements? Are they the product of an initial fully planned construction? Do they derive from successive functional adaptations? Are the operating modes of regional integration reflections of national political institutions' way of functioning? This chapter intends to answer these questions by examining a series of hypotheses concerning the process of institution building.

Most Latin American regional arrangements are usually described in the literature as inefficient, costly, and almost baroque. Although we will address in further details the issue of efficiency in chapter eight, a preliminary step must consist in understanding the way the institutions were conceived and how they evolved.

In the next section we will embark upon a theoretical reflection, followed by empirical and comparative explorations.

Integration and Institutions

Considering first the way institutions appear and develop, three different patterns are theoretically conceivable and indeed also empirically observable.

First, a group of countries or regions can agree on a clear political objective, for instance building a political union, and negotiate the best possible institutional design to achieve it. The case of the United States at the end of the eighteenth century probably best exemplifies such a strategy, and the Federalist Papers are a fascinating document revealing its complexity.

Second, a group of countries can agree on a method aimed at bridging their differences. They might have a distant political horizon, yet they are too busy trying to upgrade their level of interaction to bother thinking of a complex institutional arrangement. Or, they may believe that such an arrangement will be the end product of incremental functional adaptations. That would be the European scenario during the 1950s, masterminded by Jean Monnet and his method of "concrete solidarities." The European sequence of interdependence—integration—institutionalization has been theorized by a majority of scholars as a benchmark, with slight differences between the neo-functionalists who envision an automatic creation of institutions and the intergovernmentalists who stress the importance of negotiations between member states.

Third and finally, a group of countries can agree on an institutional arrangement without much discussion of its relevance for the region and the type of cooperation they want to initiate. The institutional arrangement can be imported, imitated and more or less adapted, in which case there can be misfits. That would be the Latin American experience with integration, most notably during its first wave in the 1960s. The European example having overwhelmingly captured the attention of a majority of scholars, insufficient attention has been paid to this last scenario.

In addition to this sketchy and very general characterization of patterns of institution building, some distinctions must be brought to light referring to the initial intentions of integration promoters and the types of institution building involved. Regional economic integration has historically led to a great variety of patterns of institutionalization.[1]

The lowest degree of integration usually corresponds to an effort geared at facilitating trade among a group of countries. The only institutional requirement of free trade areas is a dispute settlement procedure. As McCall Smith has shown, there can be a great variety of legalism involved in the mechanisms for resolving disputes and enforcing compliance.[2] He examines five different issues where the degree of legalism is at stake: is there a third-party review of complaints? If so, are the rulings binding? How are the judges chosen? Who can file complaints? In case of violations, are the rulings directly applicable? According to him, "the basic issue is how effectively a given dispute settlement mechanism is able to produce impartial, consistent, and legally binding third-party rulings on any and all alleged treaty violations."[3]

McCall Smith provides an interesting linkage politics type of theory to explain the different levels of legalism, based on the "domestic

political trade-off between treaty compliance and policy discretion."[4] On one hand, "the threat that legalistic trade dispute settlement poses to the discretion of political leaders is threefold. First, it may constrain their ability to manage the unforeseen cost of adjustment, making it more costly to provide relief or protection to specific groups injured by trade liberalization. Second, it may limit their general policy autonomy across a range of domestic regulations, which it judges against treaty commitments to eliminate non tariff barriers to trade. A third and final consideration is that the delegation of authority to third parties may constrain their ability to pursue trade policy bilaterally, a strategy with distinct political advantages."[5] On the other hand, "legalistic dispute settlement improves the value of trade agreements through two principal channels. First, by defining, monitoring, and enforcing compliance, it constrains the opportunistic behavior of foreign governments that are tempted to provide protection to their constituents. Second, as an institutional commitment to policy stability, it promotes the confidence of the private sector, inducing traders and investors to take risks that increase the aggregate benefits of liberalization."[6] McCall Smith hypothesizes that countries negotiating a trade pact are more likely to adopt a legalistic dispute settlement mechanism where there is great dependence on intra-pact trade, where there is no asymmetry, and where the depth of integration targeted is ambitious. Some variables are less scrutinized, as he admits, like regime type. He only asserts that "democratic governments may prize policy discretion more than relatively insulated authoritarian leaders."[7]

Where does Latin America stand? McCall Smith finds that one regional grouping has a low level of legalism (CARICOM), while three have medium ones (MERCOSUR, NAFTA and OECS) and two have very high ones (CAN and MCCA). All in all, Latin America confirms his hypotheses: regional agreements including high levels of asymmetry are not very legalistic (MERCOSUR, NAFTA), whereas the contrary holds true for countries that in addition are ambitious in terms of their level of integration (CAN and MCCA).

The problem with McCall Smith's analysis is that it is not concerned with implementation or policy outcomes and does not theorize the evolution of the institutions. Nevertheless, his scale of legalism is a pretty reliable predictor of levels of institutionalization.

Another way of distinguishing between the different legal systems put in place by member states of a free trade area is using Duina's political-institutional explanation.[8] Duina also links domestic political features and intergovernmental negotiations in order to draw a line between

minimalist trade agreements gathering countries with preexisting traditions of common law, and interventionist trade agreements with member states of civil law traditions. In addition to the preexisting legal context, he also takes into account the preferences of politically powerful actors to account for the difference between NAFTA and MERCOSUR. The former has "avoided the cognitive standardization of the world" and "have chosen to address cognitive conflicts as they arise,"[9] while the latter relies on "complex webs of secondary laws rich with definitional and normative notions applicable to a large variety of subject matters."[10]

Duina's argument that free trade agreements are social endeavors has a great explanatory capacity. Supposedly, the more ambitious a regional integration process is, in terms of its desire to "standardize the world," the more complex its institutions are going to be or become. Many committees or working groups can progressively be created, as new policy areas are added to the agenda. We will analyze this trend looking at the evolution of the least institutionalized, although not least ambitious Latin American regional integration process, namely MERCOSUR.

McCall Smith and Duina, each one with a specific emphasis, interestingly relate regional integration features to domestic politics. In this chapter, I intend to push a little further this "linkage politics" approach, testing the hypothesis that regional institutional arrangements are projections of domestic institutions. In other words, integration promoters tend to build regional institutions that basically do not look too unfamiliar. And if they do so, they will allow politically relevant actors in the integration process to model the institutions in such a way so that they can feel familiar with the outcome.

The theory of institutional isomorphism provides a fairly good base to start with. True, in their seminal piece of work, DiMaggio and Powell are not concerned with international organizations, even less with the way regional arrangements can mirror national institutions.[11]

Nonetheless, the three mechanisms of isomorphic change they identity are useful tools to advance in our understanding of Latin American regional institutional arrangements (table 4.1).

Considering the two waves of regionalism in Latin America, and the institutional arrangements that we will describe in more details in the next section, we find illustrations of coercitive, mimetic, and normative isomorphisms. There is a coercitive isomorphism when the European Union tries to export its model and subordinates the signing of agreements to institutional change. The Andean Community and

Table 4.1 DiMaggio and Powell's three mechanisms of institutional isomorphic change applied to Latin American regional institutional arrangements

Mechanisms of Isomorphic Change	*Definition*	*Illustrations in Latin America*
Coercitive	"Formal and informal pressures exerted on organizations by other organizations upon which they are dependent and by cultural expectations in the society within which organizations function."	Pressures by the European Union on the Andean Community and in Central America in the 1990s and 2000s
Mimetic	"When organizational technologies are poorly understood, when goals are ambiguous, or when the environment creates symbolic uncertainty, organizations may model themselves on other organizations."	Andean Pact and Central America in the 1960s
Normative	"Stems primarily from professionalization." "Professionalization as the collective struggle of members of an occupation… to establish a cognitive base and legitimation for their occupational autonomy."	CEPAL's *técnicos* during the 1960s

Source: Author's elaboration of Paul DiMaggio and Walter Powell, "The Iron Cage Revisited: Institutional Isomorphism and Collective Rationality in Organization Fields," *American Sociological Review* 48(2), April 1983, pp.150–152.

Central America in the 2000s fit in this category. There is mimetic isomorphism in context of uncertainty. At the origin of the Andean Pact in 1969, there is definitely a will to imitate the European institutions. And finally, there is a normative isomorphism due to the prominent role played by the CEPAL's *técnicos* during the 1960s.

There is of course considerable scope for discussion on all these points. The European Union's pressures are hard to validate on an empirical basis, although it is difficult to deny that during the 2000s the CAN owes part of its survival to a stubborn European insistence to negotiate with the group on the basis of its common external tariff, against the backdrop of Venezuela's defection and the attraction of alternative free-riding solutions (MERCOSUR, United States' offer of Free-trade agreements).[12] Likewise, it is difficult to prove that there has been imitation. The repertoire of institutional design is limited and there is a global circulation of models that blurs the distinction between exporters and importers. By contrast, the role played by the

técnicos has been underlined by many scholars.[13] The three mechanisms are ideal-types. In "real life," we will be confronted with a particular mix, and subtypes will emerge.

Consider the case of MERCOSUR. At its onset at the beginning of the 1990s, there was a blend of mimetic and normative isomorphisms. Nevertheless, it is a particular type of mimetism that could be called "counter mimetism," as MERCOSUR's promoters voluntarily decided to prevent the over bureaucratization of such arrangements as CAN or the highs costs of European institutions. Likewise, normative isomorphism does not stem from professionalization but rather rests on the role played by epistemic communities, composed of scholars, foundations, and international organizations.

There is another way to improve the notion of isomorphic change proposed by DiMaggio and Powell. As previously mentioned, regional institutional arrangements can turn out to be projections of domestic institutions, as far as field structures and political practices. The rules of the game and the way to play it at the regional level can derive from rules and practices long internalized at the domestic level by the actors. In that sense, we have to examine both formal and informal constraints.[14] In other words, the features of national formal and informal institutions, or at least the ones of the dominant country, constrain the choices the actors can make when they design regional institutional arrangements. Such an isomorphism could be called domestically inspired.

In Europe, the discussed hypothesis of the federalization of the European Union[15] is an illustration of this domestically inspired isomorphism. The communitarian institutions would be looking more and more like the ones of its dominant member, namely Germany. In Latin America, where there is much less variety of institutions, the intergovernmental presidentialism mirrors the type of institution all countries have adopted.

So far, we have focused on the designing and building of institutions. In addition, much could be said about institutional change. Paul Pierson has rightly invited us to pay more attention to institutional resilience, holding that "there are strong theoretical grounds for holding that institutional resilience in many settings is likely to be considerable."[16] As a matter of fact, many regional arrangements in Latin America are text-book illustrations of institutional resilience that defy common sense. Nevertheless, the four obstacles to change Pierson considers (coordination problem, veto points, asset specificity, and positive feedback) ought to be supplemented by a fifth one, in order to describe a

situation typified by Philippe Schmitter in 1970, admittedly using an "actor-centered functionalism" type of methodology Pierson criticized. Schmitter described a "zone of indifference," with many "encapsulated functionalist organizations" surviving, where "socialization effects are confined to a small bureaucratic clique," mostly "devoted to avoiding change in established procedures" and providing "marginal, but often important, services to their clients."[17] The cases of the Central American and Andean regions correspond to this description.

Another important feature of Latin American integration is the multiplication of agencies that have to do with the expansion of the policy issues involved in the process. We will discuss that point in the next chapter, but during the "development decade" (1950s), this tendency was also noticed by many scholars studying different countries.[18]

In the following sections, I will describe the regional institutional arrangements in two older cases of Latin American integration (Andean and Caribbean regions) and then focus on the case of MERCOSUR. I will then return to some theoretical explanations in terms of isomorphism.

Institutional Luxuriance: Andean and Caribbean Cases

Concerning the first wave of regionalism, I will mainly describe the overall institutional structures of the Andean and Caribbean experiences, leaving the Central American one for the next chapter. Other than Central America, the two oldest integration processes in Latin America experienced very different institutional evolutions. Nevertheless, they and the rest of the groups progressively converged.

The Andean integration process originated in a meeting held in Bogotá on August 16, 1966, between Chilean president Eduardo Frei and his colleagues Carlos Lleras Restrepo and Raúl Leoni from Colombia and Venezuela. Representatives sent by the Ecuadorian and Peruvian presidents also attended the meeting. We will examine in further detail in chapter eight the reasons that motivated the presidents to launch a subregional integration process. In any case, the next year, the Andean idea received wide support. For instance, the "Declaration of the Presidents of America," signed on April 14, 1967 acknowledged the need to develop subregional integration processes.[19]

The Andean common market, established in 1969, had a modest set of institutions.[20] The main body was a Commission, composed of representative from the governments, charged with the political

guidance of the process. There was also a Board (Junta), composed of three persons chosen by the Commission, in charge of preparing plans and making recommendations to the Commission and implementing its decisions. The treaty gave the Junta a supranational dimension, as it instructed its members to serve the common interest and forbade them to take instructions from their governments. In addition, there were two advisory bodies, a Consultative Committee (composed of representatives of governments) and an Economic and Social Advisory Committee (composed of three representatives from the business and labor sectors).

As the scope of integration expanded, new institutions were created, but difficult times were compromising the overall project. The 1971 military coup in Bolivia (Banzer), followed by the 1973 one in Chile (Pinochet), deepened the political cleavages in the region. In 1976, Chile decided to leave the Andean Pact, as this country was opting for a different path, espousing the monetarist conceptions of the "Chicago boys." Then the debt crisis hit these already poor countries hard during the 1980s. Depending on foreign assistance, some of them, Bolivia in particular in 1985, were forced to implement very severe adjustment policies, while at the same time Peru was trying some more heterodox solutions. There was no macroeconomic convergence and no regional solidarity at that time.

In addition, the institutions were not functioning well. The supranational dimension, generating a defense of collective interests, never emerged. The turnover of national representatives in the Junta, due to chronic political instability, was simply too frequent. As Askisson puts it, "because the Andean Group had little or no supranational authority, national considerations were placed above regional considerations and many policies that had the potential to generate regional benefits were never implemented. For this reason, the initial successes of the Andean Group were followed by years of ineffectiveness and retarded progress."[21]

In 1987, the group decided to trigger a reactivation of the integration process (Quito Declaration). Two years later, celebrating in the Galapagos Islands the twentieth anniversary of the Cartagena Agreement, the presidents decided to strengthen the political dimension of the Group, institutionalizing the Presidential Council. In 1990, President Bush's Enterprise for the Americas initiative acted like a stimulus, forcing the group to speed up the pace of integration at the risk of it one day being diluted to a hemispherical free trade agreement. In 1991, they decided to shorten the phasing of trade liberalization and

in its sixth meeting (Cartagena, December 3–5, 1991), the Presidential Council asked the Andean Council of Ministers of Foreign Affairs to suggest institutional reforms. The institutional reform was approved five years later, this delay being a consequence of the Peruvian retreat from the Group.

President Fujimori's "autogolpe"[22] of April 5, 1992, triggered a negative reaction from his neighbors, but hardly a collective one. Venezuela decided on its own to break its diplomatic relations, while the other countries simply agreed to issue a strong condemnation. Later the same year, Peru decided to withdraw from the Program of Trade Liberation. The rest of the group decided to go on with the opening of a Free Trade Area (effective on January 1993) and the Common External Tariff (effective February 1, 1995). In 1995, the two months war between Peru and Ecuador also had a dramatic effect on Andean integration.

During the eighth meeting of the Presidential Council in Trujillo, Peru (March 10, 1996), the so-called Trujillo Protocol was adopted introducing important changes. The group adopted a new name, the Andean Community (CAN), and its institutional architecture got more complex, with no less than thirteen institutions gathered under the umbrella of an Andean Integration System (SAI): Andean Presidential Council, Andean Council of Foreign Affairs, Commission, General Secretariat, Andean Community Court of Justice, Andean Parliament, Business Consultative Council, Labor Consultative Council, Andean Development Corporation, Latin American Reserve Fund (FLAR), Simón Rodríguez Agreement and other social agreements, Simón Bolivar Andean University, other consultative bodies established by the Commission and other bodies and institutions created in the framework of the Andean integration process.[23] The whole system looked more complex than the European one. The main functions of these bodies are summarized in table 4.2.[24]

During the 1990s, the region experienced a period of economic growth, yet it is not clear if the institutional reform had anything to do with it.[25] What the 1990s have clearly demonstrated, however, is that the institutional reform has not yielded much evolution in terms of supranationality. As compared to the 1960s, there is a clear pattern of concentration of power in the hands of the presidents. Other than that, the decade is characterized by less political instability, yet the Peruvian crisis paralyzed the integration process. Also, it was the prospect of signing a free trade agreement with the United States during the 2000s

that triggered the withdrawal of Venezuela and further undermined the integration dynamics.

The Caribbean integration process followed more or less the same path, with a slight difference though. CARICOM set up a complex institutional arrangement right from its beginnings in 1973 (table 4.3).[26] Although, as with the other processes, the Caribbean one was relaunched during the 1990s and, in 2001, the 1973 Treaty of Chaguaramas was revised. A new more complex institutional structure was put in place, with two principal organs (Conference of Heads of Government and the Community Council of Ministers) assisted by four "organs" (Council for Finance and Planning, Council for Trade and Economic Development, Council for Foreign and Community Relations, Council for Human and Social Development), three "bodies" (Legal Affairs Committee, Budget Committee, Committee of Central Bank Governors), and a Secretariat. In addition, the Community has created or recognized a series of institutions or associate institutions, such as the Assembly of Caribbean Community Parliamentarians, the Caribbean Court of Justice, the Caribbean Development Bank, the University of the West Indies, and many agencies of functional cooperation.

MERCOSUR: The Limits of Institutional Modesty

A series of reasons explain why MERCOSUR promoters made the choice of institutional modesty when signing the Asuncion Treaty in 1991. Among them the will of avoiding the cost of European style institutional arrangement and the deadlock of Andean style regional bureaucracy dominated. ALADI also served as an example of what was desirable to prevent. The Montevideo based bureaucratized organization never managed to serve the general interest and make use of its supranational potential to advance the cause of Latin American integration. The Andean Pact and ALADI served as negative examples hence we are dealing with "counter mimetism," as we explained in the introduction to this chapter.

It is also worth mentioning that the huge asymmetries between the Member States made it very difficult to adopt institutions with a supranational dimension. A gradualist, functionalist and strictly intergovernmental methodology better suited Brazil's interests.

In its article 9, the Asunción Treaty only posited that: "The administration and implementation of this Treaty, and of any specific agreements or decisions adopted during the transition period within the

legal framework established thereby, shall be entrusted to the following organs: (a) The Council of the Common Market; (b) The Common Market Group."[27] As indicated in table 4.4, the CMC is the highest body, it takes its decisions by consensus. The GMC is the executive one. It can only make resolutions, following the recommendations made by the working groups article 13 of the Treaty gave it the possibility of setting up.

At the end of its transitional period, MERCOSUR adopted on December 17, 1994, the Additional Protocol to the Treaty of Asunción on the Institutional Structure of MERCOSUR, also called Protocol of Ouro Preto (POP). The institutional structure got more complex, with four new bodies (Trade Commission, Joint Parliamentary Commission, Economic-Social Consultative Forum, and Administrative Secretariat) and the functions of both CMC and GMC were more precisely defined. CMC decisions and GMC resolutions are still made by consensus, but they are binding upon the Member States.

Composed of the ministers of foreign affairs and ministers of economy, the CMC is both a decision-making and a legislative body. It "supervises the implementation of the Treaty of Asuncion, its protocols, and agreements signed within its context, formulates policies and promotes the measures necessary to build the common market, assumes the legal personality of MERCOSUR, establishes the organs it considers appropriate, and modifies or abolishes them, appoints the Director of MERCOSUR's Administrative Secretariat, and adopts financial and budgetary decisions."[28]

The GMC is composed of representatives of each state, usually senior officials from the ministries of foreign affairs. Its task is to "monitor, within the limits of its competence, compliance with the Treaty of Asuncion, its Protocols, and agreements signed within its framework, propose draft decisions for the Council of the Common Market, take the measures necessary to enforce the decisions adopted by the Council of the Common Market, establish, modify or abolish organs such as working groups and special meetings for the purpose of achieving its objectives, and supervise the activities of MERCOSUR's Administrative Secretariat."

The Trade Commission (CCM) is the third decision-making body. It "monitors the application of the common trade policy instruments both within MERCOSUR and with respect to third countries, international organizations and trade agreements, considers and rules upon the requests submitted by the States Parties in connection with the application of and compliance with the common external tariff and

other instruments of common trade policy, follows up the application of the common trade policy instruments in the States Parties, sets up the technical committees needed for it to perform its duties properly, and directs and supervises their activities." The CCM can also be considered a jurisdictional body as it deals with trade conflicts.

The Protocol of Ouro Preto also created a deliberative body. The Joint Parliamentary Commission's role was to "speed up the corresponding internal procedures in the States Parties in order to ensure the prompt entry into force of the decisions taken by the MERCOSUR organs." As we shall see in chapter six, it was replaced in 2005 by a genuine Parliament. Finally, there is a consultative body, the Economic-Social Forum (FCES) composed of representatives from business and trade unions, and a Secretariat, in charge of keeping "the official archive for MERCOSUR documentation, publishing and circulating the decisions adopted within the framework of MERCOSUR, organizing the logistical aspects of the meetings of the Council of the Common Market, the Common Market Group, and the MERCOSUR Trade Commission and, as far as possible, the other MERCOSUR organs, when those meetings are held at its headquarters"[29] (in Montevideo). Two problems emerged from this institutional architecture. One is the enforcement of norms,[30] the other is related to conflict resolution.

The Treaty of Asuncion and the Protocol of Ouro Preto lack an equivalent of the European Treaty of Rome's article 189 that clearly distinguishes between decisions that are directly binding and directives that are binding as to the result to be achieved by the Member States. The POP refers to the three different decision-making bodies in different terms. The Council of the Common Market takes decisions "which shall be binding upon the State Parties" (Article 9), the Common Market Group takes "decisions that take the form of Resolutions which shall be binding upon the State Parties" (Article 15), and the MERCOSUR Trade Commission takes "decisions that take the form of Directives and Proposals. The Directives shall be binding upon the States Parties" (Article 20). In addition to this confusion, Article 42 stipulates that "the decisions adopted by the MERCOSUR organs shall be binding and, when necessary, must be incorporated in the domestic legal systems in accordance with the procedures provided for in each country's legislation." It is obviously the case for the Protocols that have to be ratified by each country. Besides, the State Parties "undertake to take all the measures necessary to ensure, in their respective territories, compliance with the decisions adopted by the MERCOSUR organs."[31] And

finally, Article 40 evokes an obligation of "simultaneous entry into force in the State Parties of the decisions adopted by the MERCOSUR organs," providing for a three-step procedure: "once the decision has been adopted, the State Parties shall take the necessary measures to incorporate it in their domestic legal system," then when it is done "the MERCOSUR Administrative Secretariat shall inform each State Party accordingly," and "the decisions shall enter into force simultaneously in the States Parties 30 days after the date of the communication made by the Secretariat."[32] The direct applicability of the decisions is therefore questionable, when each country has to incorporate the norms in its legal system.

Moreover, as the POP did not provide for a judiciary body in charge of interpreting the norms, no jurisprudence can emerge that could secure the primacy of a communitarian law. The POP simply prolonged the life of the Brasilia Protocol, adopted on December 17, 1991, and entered into force on April 24, 1993. This Protocol did not put in place a permanent organ for the settlement of disputes, but rather a mechanism of ad hoc arbitration panels. The POP only mentions that the directives of the MERCOSUR Trade Commission must be taken into account by the panels, as well as the CMC decisions and the GMC resolutions.

This low level of legalism has, during more than ten years, entailed a politicization of the dispute settlements as the presidents were forced to get involved. As Bouzas and Soltz rightly point out, this method "led to issue-congestion and over-burdened agenda at the top" and ultimately, to an over-exposition and loss of credibility of the Heads of States.[33]

As a result, there were pressures from business organizations in the 1990s for legal harmonization. Duina recalls that these pressures were especially strong for agriculture, manufacturing, health and safety standards, industrial products, mining, and other related areas. While pressure continued in these areas in the new century, attention also turned to services and investments and "business leaders and other key elements of society proved to be largely supportive of the regulatory strategies."[34] In the middle of the economic crisis of 2000 and 2001, Duina adds, "the Cámara de Exportadores de la República Argentina (Argentina's Exporters' Chamber) declared itself interested in even deeper integration. It asked for further 'positive integration,' deeper regulatory cooperation, and new laws more in tune with reality on the ground."[35] Without a doubt these pressures from below played an important role, along with the political will to strengthen the

integration process perceptible from above. On December 21, 2001, at MERCOSUR's summit, Cardoso strongly advocated an institutional strengthening, without dissipating ambiguities on his position regarding supranationality.[36] The institutional architecture evolved accordingly, with adjustments for the organs put in place by the Ouro Preto Protocol, and the creation of new ones.

In the moving context of the 1990s, contrary to some expectations, the CMC has not played the role of integration entrepreneur. It has not embodied a clear and far reaching vision of the integration process. Moreover, being overshadowed by the meeting of the presidents, it has delegated much of the decision-making capacities to the GMC. This political low-profile has not prevented the CMC from creating new bodies.[37] Fourteen meetings of ministers became institutionalized (agriculture, culture, economy and Central bank presidents, education, industry, interior, justice, environment, mining and energy, science and technology, social development, health, labor, and tourism), as well as eight working groups (preparing the creation of agencies such the MERCOSUR Social Institute, or the negotiation with Cuba), two new forums (a Forum for Political consultation and concertation with three working groups, and a Forum for consultation with municipalities, federated states, provinces, and districts) and a High level meeting in the realm of human rights.

As for the GMC, it grew at a fast pace, creating many technical subgroups. Annex V of the Asuncion Treaty, "for the purposes of co-ordinating macroeconomic and sectoral policies," had provided for the creation of ten subgroups (commercial issues, customs issues, technical standards, fiscal and monetary policies related to trade, inland transport, maritime transport, industrial and technological policy, agricultural policy, energy policy, coordination of macroeconomic policies). Over the years, some subgroups disappeared and others were created. A total of fifteen were created (communications, mining, technical standards, financial issues, transports and infrastructure, environment, industry, agriculture, energy, labor, employment and social security issues, health, investments, e-business, mining). The GMC also created fourteen specialized meetings, three groups, ten ad hoc groups and two committees, one commission and one technical meeting.[38]

As some observers point out, "this multiplicity of auxiliary organizations of a mixed technical-negotiating nature involving officials of nearly all areas of government has resulted in a widespread diffusion of the integration process within the public administration. On the

other hand, the great variety of issues, individuals, and work programs in various disciplines led to significant coordination problems and an overload of decision-making in the GMC."[39]

In 2000, MERCOSUR's officials decided to rationalize the overall structure. Decision CMC 59/00 unified two working groups (mines and energy), converted some ad hoc groups into working groups, and settled for a list of fourteen working groups, seven specialized meetings, four ad hoc groups, three committees, and one group. However, the coordination deficit remains basically untouched and it is aggravated by the fact that many subgroups are composed of officials of higher ranks than the ones in the GMC. Consequently, these subgroups have tended to become rather autonomous and have converted themselves into entrepreneurs of integration who are impossible to control. All in all, the incapacity to bring together the growing number of auxiliary organs and to provide some kind of coherence has led to the decreasing efficiency of the GMC. As for the CCM, the same evolution is noticeable, with the creation of ten technical committees.

Finally, the Secretariat has undergone a transformation that is worth commenting on. More than any other institution, the Secretariat symbolized the institutional modesty of MERCOSUR. When the leaders of MERCOSUR decided to implement some changes and relaunch the integration process after the 2001 Argentine crisis, the Secretariat was on the frontline. In 2003, the thin Secretariat was converted into a decent Administrative Secretariat (SAM) coupled with a Technical Assistance Sector (SAT).

Decision 30/02 created SAT to "contribute to the formation of a space of common reflection on the development and consolidation of the integration process."[40] For the first time, the leaders of MERCOSUR took the decision to organize the recruitment of four experts (two lawyers and two economists). Four officials were hired on a merit basis, with a very high profile, giving them strong legitimacy in embodying the general interest of regional integration, above national interests.[41] As could have been expected, the four experts soon proved to be very independent and took their jobs very seriously, shaking the diplomats' routine and opposing their strictly intergovernmental conception of regional integration.

A new entrepreneur of integration was on the rise with political support in the different countries. During its first year, the SAT got into several fights with the Director of the Secretariat. There was more than an opposition of style between the experts and the diplomats; there was

a deep chasm between two conceptions of the process of integration and two legitimacies.

This opposition materialized over two issues. One is the condition under which the SAT could provide technical support to the different consultative organs. The SAT "enemies" managed to make this support dependent on the permanent organs' previous approval, introducing a control on their work.[42] The other is the accessibility of the SAT's work by the public. The SAT took the initiative to publish in July 2004 its first semester report on the state of MERCOSUR, against the SAM director's opinion that it should remain confidential. As any academic would have done, and as the annex of decision 30/02 invited them to do,[43] the four experts analyzed with a critical tone the evolution of the integration process.[44] They insisted in the introduction to their report that their analysis was inspired by a quest for the common interest that is complementary to national interests. And in their conclusions, they clearly favored a scenario with the introduction of a dimension of supranationality to supplement the intergovernmental methodology of integration. They justified their position by promoting the idea that gradualism and flexibility might be enough to survive a crisis, but are certainly not enough to make progress toward deeper integration. Their "scenario 5" took a position in favor of a common commercial policy, to be put into force by an independent agency. They also expressed concern about the trade conflict resolution system, advocating a permanent court of justice.

In both instances, they were knowingly provoking the diplomats and the politically and economically relevant sectors that traditionally defend a strict intergovernmental methodology of integration. This report was put online for a while before the diplomats decided that the reports would remain confidential.

In 2004, the SAT had another opportunity to play an active role, as the MERCOSUR members were preparing the December summit of Ouro Preto. Ten years after the 1994 Ouro Preto summit and in a political climate very favorable to the deepening of integration,[45] the SAT took several initiatives. Most notably, the SAT and the German Friedrich Ebert Foundation organized an important international seminar in August 2004 to gather support for their ambitious agenda of reforms.[46] Many experts and important political personalities like Marco Aurelio García, Brazilian president Lula's personal adviser for foreign affairs, brought their support to the integrationist views of the SAT. The seminar unequivocally called for a decisive step in the process of integration, seizing the opportunity of Ouro Preto II to

relaunch MERCOSUR on a new basis. The creation of a Parliament was much debated. As we will see in more details in chapter seven, the decisions taken fell short of what the SAT expected. And on many other topics, the SAT had many reasons to be disappointed by the reforms introduced by the December 17, 2004 summit of Ouro Preto.

The constant and stubborn obstacles put in the path of the SAT have ended up exhausting its members' energy. On January 1, 2006, Deisy Ventura resigned, leaving the others in disarray. The SAT lost its high profile and the diplomats managed to impose their conception. On January 18, 2007, through its decision 07/07, the GMC reformed the Secretariat, converting the SAT into a pale technical assistance service, diluted into a larger Secretariat.[47] Deisy Ventura was quick to accuse the diplomats and some pressure groups adverse to the integration process. Ironically, she also blamed the counterproductive effect of the meritocratic type of hiring that had, at the end of the road, deprived the SAT members of the type of political support a more clientelistic designation usually yields.

As we just mentioned, the architecture put in place by the Ouro Preto Protocol has progressively evolved and, with the SAT, almost crossed the line of supranationality. The spirit of the 2004 Ouro Preto II reform has confirmed or yielded other institutional buildings. Three new institutions remain to be mentioned.

One is MERCOSUR's Commission of Permanent Representatives (CRPM), which was installed in 2003 in order to represent the regional arrangement, by mandate of the CMC and assist the Presidency Pro Tempore of MERCOSUR.[48] Furthermore, a Permanent Review Court and an Administrative Labour Court were also created.[49] Finally, a MERCOSUR Centre for the Promotion of the Rule of Law was established by the CMC's decision 24/04.

The multiplication of organs has definitely not been accompanied by deeper coordination. Each organ tends to become very autonomous, cumulating functions of deliberation and decision. No organ pays much attention to the enforcement of the decisions made.[50]

All in all, what we have in Latin America is a robust trend gearing the regional arrangements toward increasing institutional complexity, reflecting growing agendas of integration. In the next chapter I will analyze the gap between the scope and level of integration and suggest some explanations for this phenomenon. In the remainder of this chapter, I examine parallels between regional and national, and formal and informal, institutional features.

Regional Institutional Arrangements in Latin America: Convergence and Domestically inspired Mimetism

The evolution described in the preceding section—increasing institutional complexity coexisting with a concentration of powers in the hands of the presidents—is noticeable in all the institutional arrangements. There has been a remarkable institutional convergence in the whole continent, confirming the hypothesis of mimetic isomorphism (table 4.4).

However, as mentioned in the introduction, mimetism does not only imply that the different groupings have imitated each other, or that they all have imported and adapted the European model.[51] Regional institutions are also reflections of national institutions, and the convergence of regional arrangements does not come as a surprise if we simply consider the fact that national formal and informal institutions also look much alike throughout Latin America. Every Latin American country having a presidential regime, the regional groupings have "naturally" built intergovernmental presidential political systems.

During the 1980s, some seminal texts considered presidentialism as a failure.[52] We know that "the difficulties generated by the pure model of presidentialism have led in a number of Latin American countries to constitutional norms and political practices, to agreements among politicians or parties, that ignore or profoundly modify the principles of presidentialism."[53] In some countries, in Linz's classical analysis, presidentialism has been adapted "in ways that are more congruent with parliamentarism," like in Uruguay or Bolivia. However, in most cases, Latin American presidentialism is characterized by a lack of accountability or what O'Donnell has termed delegative democracy. The collective or intergovernmental presidentialism is no different. Andres Malamud even suggests that "Mercosur might have engendered a 'new regional animal': delegative integration."[54]

But there is more to it. Since the period of democratic transitions, Latin America has been experiencing a trend toward stronger presidentialism, with an increasing marginalization of parliaments. Traditional bargaining over political choices was no longer useful in the face of the necessity, or the obligation, to implement structural adjustment programs. Chile had provided an illustration of efficient policy making in an authoritarian context. During the 1990s, many presidents would by-pass the legislative process and take important decisions using

Table 4.4 Convergence of regional institutional arrangements

Institutions	*NAFTA*	*SICA*	*CARICOM*	*CAN*	*MERCOSUR*
Highest-level bodies	—	Meeting of Presidents	Conference of Heads of Government	Presidential Council	• Periodical Presidential Summits • Commission of Permanent Representatives
Decision-making Bodies	Free Trade Commission	Council of Ministers	Council of Ministers	Council of Foreign Ministers	• Common Market Council • Common Market Group • Trade Commission
Executive bodies	Secretariat	Executive Committee General Secretariat	Community Secretariat	General Secretariat	Administrative Secretariat
Jurisdictional bodies	—	Court of Justice	Caribbean Court of Justice	Court of Justice	• Trade Commission • Permanent Council of Revision
Deliberative bodies	—	Parliament (PARLACEN)	Assembly of Caribbean Community Parliamentarians	Parliament (PARLANDINO)	Parliament (PARLASUR)
Financial institutions	—	Central American Bank of Integration	Caribbean Development Bank	• Andean Development Corporation • Reserve Fund	Structural Convergence Fund
Consultative bodies	—	Consultative Committee	Joint Consultative Group	• Business Council • Labor Council	Socioeconomic Consultative Forum
Educative institutions	—	Central American Superior Academic Council (CSUCA)	University of West Indies	• Andres Bello Agreement • Simon Bolivar University	Montevideo Group*
Social Agreements	—	—	—	• Hipólito Agreement (Health) • Simón Rodriguez Agreement	—

Note: * Spontaneous initiative not incorporated to the MERCOSUR's institutional framework.
Source: Author's elaboration using official Web sites.

10.1057/9780230100749 - The Politics of Regional Integration in Latin America, Olivier Dabène

presidential decrees. There has been considerable variation between countries, according for instance to decree approval rules, the extent of the executive's partisan support in the legislature or the strength of the presidential veto.[55] Nonetheless, the trend is undeniable.

Consider the example of MERCOSUR. In Brazil, the 1988 Constitution gave the presidents the power to issue "provisional measures with the force of law" for up to thirty days in situations of "urgency and relevance." Successive presidents ever since, Sarney, Collor, Franco, Cardoso, and Lula have all issued and reissued a large number of decrees, with an impressive speed. Even President Lula, who often criticized the decrees during his campaigns, issued a record number of decrees once in office.[56] In Argentina since the 1983 democratic transition, President Alfonsín made modest use of decrees, whereas Menem issued a total of 545. Kirchner has issued a decree every five days during his term.

My aim is not to gauge the exact importance of this new capacity the presidents have seized to set the legislative agenda, and conclude whether or not they have gained legislative powers. The parliaments have probably preserved greater political influence than is usually estimated. My point is that during the 1990s, the presidents have extended this capacity of agenda-setting to the regional arena. Some national parliaments might retain a little control over the executive capacity to enact laws through decrees at the national level, but there is no equivalent at the regional level for two important reasons: one has to do with the very modest prerogatives of the regional parliaments; the other is related to the absence of any redistributive capacity of the regional institutional arrangements. We will address these two points in more detail in chapters six and eight.

A key actor in the process of projecting national institutions to the regional level has been the private sector. The interest groups in Latin America have long been used to direct political access to the highest level of the executive branch. Contrary to the United States or the European Union, there is little organized lobbying inside the legislative power. As the perspective of regional integration emerged, back in the 1960s or more recently with the second wave, they pushed to protect their special political influence by strongly advocating unanimity of rule in the regional decision-making processes.

Nevertheless, as we saw, on a day-by-day basis, the decision-making process in the regional arrangements has tended to be more and more scattered into a myriad of quasi-autonomous bureaucratic agencies.

There too, we can draw a parallel with the evolution of domestic decision-making. Gary Wynia, for instance, showed that Central America in the late 1940s and early 1950s created "numerous autonomous agencies to manage new economic and social programs."[57] Many agencies were also created at the regional level precisely because the *técnicos* as well as CEPAL and the Alliance for Progress recommended in the 1960s developing a plan both at the national and regional level. Wynia described a complete "reshaping of policy-making style" driven by the regional Joint Planning Mission created by the Secretary of Central American Economic Integration (SIECA). He also showed how the planning of reforms was a failure in the different Central American countries, mainly for political reasons, and how the *técnicos* subsequently decided to focus their efforts on regional integration. The creation of agencies had to do with the planning of reforms, but was also a way of distributing the spoils of the political system. Clientelism has always been a major incentive for bureaucracy development in Latin America.

During the 1990s, the rationale was different. Autonomous agencies were granted important prerogatives in a context of deregulation. Instead of planning, it is the neoliberal "retreat of the state"[58] that motivated the reforms. The governments took the decision to limit the scope of their intervention and to focus on the new role of coordination. Accordingly, executive functions were discharged to independent agencies or to the private sector in the framework of private public partnerships. There is an evident parallel between this trend and the increasing institutional complexity of the regional arrangements described above. To take again the example of MERCOSUR, the reforms implemented by Luis Carlos Bresser Pereira in Brazil under Cardoso epitomized this kind of transition to modern public management.[59] MERCOSUR's institutions, as we saw, exhibit the same subsidiary function.

A last feature of the political systems, both national and regional, has to be mentioned.

However concentrated it may be, presidentialism in many countries is often accompanied by constant efforts to build coalitions in order to secure governability. What the Brazilians call coalitional presidentialism is a widespread practice in Latin America.[60] In many cases, the alliances have been functional in consolidating democracy.[61] Again, my point is not to discuss the advantages and disadvantages of this political practice. What I am pointing out is that the presidents have used the

same skill to advance regional integration. Logrolling seems to have been a recurrent technique both in domestic political negotiations and regional ones during the 1990s. This is in sharp contrast with the way negotiations were held during the 1950s and 1960s, with authoritarian regimes protecting private interests and being unfamiliar with coalition building imperatives.

CHAPTER FIVE

Scope and Level of Integration: Explaining a Mismatch

One of the most visible contradictions of Latin American experiences with integration is the very modest level of integration achieved through the years, as compared to the inflated agenda of topics discussed by the presidents during their summits, or the great variety of norms adopted by the numerous organs. Level of integration most commonly refers to the institutions' decisional authority, their enforcement capacities, and their ability to represent the regional common interest beyond and over private national ones. The threshold of supranationality is often considered a milestone in the evolution toward deeper integration. Although there is room for discussion on the importance of supranationality, without a doubt the balance between scope and level of integration deserves closer examination. Whatever we may think of neo-functionalism, Philippe Schmitter was right to point out the importance of this balance, considering that "whether member states will expand or contract the type of issues to be resolved jointly (*scope*), or whether they will increase or decrease the authority for regional institutions to allocate values (*level*), are the two basic dimensions for the dependent variable." He correctly added that they were "by no means always covariant."[1] In another seminal piece on Central America, he described a dynamic of spill-around that Latin America still seems to perfectly embody. He defined it as a "proliferation of independent efforts at regional co-ordination in distinct functional spheres—i.e., an expansion in the *scope* of regional tasks—without, however, a concomitant devolution of authority to a single collective body—i.e., without an increase in the *level* of regional decision-making."[2]

Many scholars have reached the same conclusion, and I will also validate it in this chapter with the example of Central America and some statistical evidence. However, this chapter also tries to go beyond this simple widely acknowledged conclusion and offers an explanation of the mismatch between scope and level making use of a constructivist approach. A brief theoretical discussion opens this chapter, followed by sections on Central America, the Andean Community, MERCOSUR, and NAFTA.

Theoretical Discussion

How does Philippe Schmitter explain the differential patterns of evolution in the scope and level of integration? Building upon a "basic functionalist assumption," he considers regional integration as a process that generates a series of tensions or contradictions, forcing the actors to constantly revise their strategies. In other words, the actors may "reevalutate the level and/or scope of their commitment to regional institutions."[3]

More precisely, we saw in chapter two that he describes "crisis-provoked decisional cycles," in a "context of considerable uncertainty," leading to many different possible outcomes (spill-around being one of them).[4] His dependent variable being the strategies of the actors, he looks upon the conditions leading to successive reevaluations, and concludes that the most probable outcome is "encapsulation," a stable self-maintained stage of integration, most often in a "zone of indifference." Dorette Corbey, also already mentioned in chapter two, has more recently tried to explain this "stop and go" pattern of evolution, also using "dialectical functionalism."[5] Her explanation, as well as Schmitter's one, is centered on three types of actors: governments, regional institutions, and interest groups. All of them are rational, defending interests and evaluating the costs and benefits of their commitments.

As mentioned in chapters one and two, this type of approach fails to explain why the same apparently inefficient game keeps on being played over a long period of time, although Schmitter has predicted that the level of integration could remain low, trapped in the "zone of indifference."

Two other types of incentives ought to be considered, external and symbolic. As far as the first incentives are concerned, on that point too Schmitter rings true when he described the effects of U.S.

president Johnson's participation in a summit meeting of Central American heads of State in July 1968.[6] Regional integration is too often analyzed as an endogenous game, capable of delivering positive outcomes for all the players. And many authors have speculated over the best type of win-win situation, putting the process on a track of Pareto improvements. Most of the time, the studies are centered on the European Union case. But even in Europe, it could be argued that external incentives have not received the attention they deserve. And it is all the more true in Latin America, where external incentives are often a powerful but rather hidden motivation to expand the scope of integration. Today, the multiple agencies of international cooperation, governmental or not, offer a world of opportunities that can be seized by the different organs of a regional institutional arrangement. We will see that these opportunities have a direct impact on the scope of integration.

The other incentives that directly contribute to shape the agenda of integration are symbolic. By symbolic incentives, I refer to a series of political benefits the presidents expect to derive from their commitment to regional integration. Three of them are of particular importance. One is the prestige associated with an important declaration adopted, or a protocol signed in a given president's capital city. Each president is looking for domestic positive political side-effects from a historic meeting held in their country, and they will push for an enlarged agenda.

Another one is an exoneration of problem-solving failures at the domestic level. Every new issue included in the regional agenda is a message sent to the voters concerning the adequate level of decision making required to address such problems. This is typically the case for social issues. In many instances it is hard to imagine how this transfer of decision-making capacity to the regional level would bring any added value, but the rationale is not efficiency driven.

Finally, related to this last strategy, in a given situation where a regional integration process is beginning to be opposed by important social sectors, and where the domestic economic situation is not too favorable, a president may use a credit-claiming/blame-shifting type of strategy. The inclusion of new issues on the agenda would eventually allow the presidents to shift the responsibility of a problem-solving failure to some sort of coordination difficulties, or to the integration's lack of progress. Conversely, a president will claim the credit for a successful regional policy, hiding the origins of the decision-making process.

I will elaborate further when revising the empirical evidence in the next sections.

Explaining the Central American Spill-Around

The evolution of Central American integration has been described in chapters one and two in broad terms. It is time now to focus on the historical evolution of its scope. Several different historical sequences can be distinguished (table 5.1).[7] Between 1948 and 1955, a functional cooperation was opened up in the fields of education, health, and technology. During the same period, a political project was launched, with the Organization of Central American States (ODECA). A second period corresponds to the years 1960–1966. The decade opens with the signing of the 1960 General Treaty of Integration and ends with the war between Honduras and El Salvador. The next sequence started in the mid 1970s, with new initiatives of functional cooperation, again in the fields of education and technology, expanding until the first years of the Central American crisis. Finally, starting in 1987 with the Esquipulas Summit and the creation of a Central American Parliament (PARLACEN), as we saw in chapter two, the efforts deployed to solve the regional crisis relaunched the integration process. An impressive acceleration is then perceivable during the 1990s.

Each sequence of integration has added new issues to the regional agenda, contributing to an expansion of the scope of integration. The creation of new institutions (table 5.1) owes a lot to endogenous dynamics, yet the external incentives have been determinant.

We already mentioned in chapter two the role played by CEPAL, especially in 1951 when it sponsored the creation of a Committee for Economic Cooperation. The meetings held during the 1950s paved the way for the launching of economic integration. CEPAL's Mexico office managed to provide financial assistance for the program, thanks to the United Nations Technical Assistance Administration, so that it would be practically costless for the governments. At the end of the 1950s, another external incentive would come from the United States. The Eisenhower Republican administration helped prepare the Tripartite Treaty signed in 1960 by Guatemala, El Salvador, and Nicaragua.[8] With the inauguration of the Democrat Kennedy, regional integration in Latin America received greater support. In Central America, the United States opened a Regional Office for Central America and Panama (ROCAP) in 1962, and Kennedy visited San José, Costa Rica, in March 1963 proposing to contribute to a Central American fund.

During these initial years, external actors directly influenced the choice of issues put on the regional agenda. CEPAL insisted on the

necessity of building a "regional infrastructure" and helped create institutions in the fields of transportation, telecommunication and electric-power.[9] As previously mentioned, CEPAL also secured decisive funding. Isaac Cohen records that "from 1950 to 1966 the financial assistance granted by the UN to the program of economic integration amounted to $22.4 million to support regional efforts in transport, electricity, education, telecommunications, agriculture, fisheries, and the functioning of certain permanent regional institutions. The individual contributions of the member countries to match the UN regional assistance amounted to $5,000 per annum from 1953 to 1965 and $6,000 per annum from 1966 on, for a total contribution from 1953 to 1966 of $335,000, or less than 2 percent of the total amount received from the UN."[10]

The acceptability of the issues placed on the regional agenda was directly related to their political neutrality. The often commented on fact that the agricultural sector had been left out of the regional agenda has to do with CEPAL's obsession with industrialization. Yet it also has to do with the political influence of traditional families dominating this economic sector. Central American countries during the 1950s were essentially rural, and an industrialization project could not endanger any vested interests.

With external support, functional cooperation in Central America never stopped progressing, even when the integration process was stalemated, like in the 1970s, following the 1973 suspension of ODECA. There are two exceptions though, two periods of interruption, 1966–1975 and 1981–1987.

During the 1980s, another external actor started to push for an agenda of its own in the region, strongly supporting regional integration. In the midst of the regional crisis, the European Union opened, in 1984, the so-called "San José Dialogue" to help put an end to the turmoil. The EU supported the Group of Contadora peace initiative and offered cooperation in addressing the social and economic causes of the crisis. As the crisis came to an end, a Framework Cooperation agreement was signed in 1993, but the European influence faded during much of the 1990s, only to bounce back with the 2002 Euro-Central American summit of Madrid. A new EU-Central American Political Dialogue and Cooperation agreement was signed on December 15, 2003, in Rome. I will comment further on the type of agenda the EU is trying to impose upon Central America. But first, I have to analyze the evolution of the scope of integration after the end of the crisis.

As we saw in chapter two, the regional crisis solving efforts were characterized by a politicization of the regional problems. Costa Rican, Guatemalan, Honduran, and Salvadoran presidents simply shifted the blame of their domestic problems to the presence of communist threat in the region. Nevertheless, during their third meeting, held in Costa Rica on January 15–16, 1987, the presidents noticed in their final declaration that the "primary causes of the conflict being economic and social, it is impossible to reach peace without development."[11] After the February 1990 Sandinista electoral defeat, the Summits started to dedicate more attention to these issues.

No less than three presidential summits were held in 1990. The overall objective is to reconsider the regional situation in the aftermath of the crisis. The Montelimar (Nicaragua, April 2–3, 1990) summit states that the "consolidation of democracy, once the obstacles to peace are overcome, requires that the economic challenge must be met with determination." Later, the summits of Antigua (Guatemala, June 15–17) and Puntarenas (Costa Rica, December 15–17), both insist on the same necessity.

The summit of Puntarenas is particularly important. The presidents made a balance of the compliance with their previous decisions in the fields of security and environment, as well as economic, cultural, social, and political cooperation. The balance sheet of implementation was not too favorable, and the whole process obviously lacked political guidance. The end of the crisis offered a unique window of opportunity for putting the integration process on a new track, and the ministers of foreign affairs, preparing the next summit, suggested creating an "integral system," within the framework of a "reformed and refreshed ODECA."

Forty years after its creation, thirty years after its first reform and seventeen years after its suspension, ODECA was brought back to life with a renewed ambition. The tenth summit (San Salvador, July 15–17, 1991) announced its intention to "define an institutionally adequate mechanism to effectively enable integration in the political, economic, social and cultural fields" and decided to "activate the Organization of Central American States (ODECA), as a regional institutional system, in charge of the follow-up of all decisions taken during the summits and the coordination of their enforcement."

The following eleventh summit (Tegucigalpa, Honduras, December 12–13, 1991) opened a new era for the Central American integration process. The signing of the Protocol of Tegucigalpa gave birth to the Central American Integration System (SICA). As we saw in chapter two, the rationale of SICA's creation is the opposite of ODECA's. The

latter was a fleshless skeleton, an artificial political architecture, while the former formalizes a series of collective crisis-solving efforts. Starting in 1987, Central American presidential summits rapidly became an informal and later a formal institution, which provided the basis for the relaunching of the integration process. SICA is no more than the institutionalization of an existing disorganized work in progress. The fact that the Central Americans made the choice to revitalize ODECA is an illustration of their sense of historical continuity. As previously mentioned, functional cooperation never stopped progressing, despite the political ups and downs.

The Protocol of Tegucigalpa[12] considers it necessary to "revise the legal framework of the ODECA, adapting it to current realities and needs, in order to secure the effective attainments of Central American integration." SICA's objectives are more ambitious than the ones enumerated in the 1962 ODECA charter. SICA must contribute to the building of a region of "peace, liberty, democracy, and development" (Art. 1). The objectives are to "consolidate democracy [...] define a new regional security model [...] promote a comprehensive system of freedom [...] achieve a regional system of well-being and economic and social justice [...] achieve an economic union [...] strengthen the region as an economic bloc [...] reaffirm and consolidate Central America's self-determination in terms of its external relations [...] promote, in a harmonious and balanced manner, the sustained economic, social, cultural and political development of the Member States and of the region as a whole [...] carry out concerted action to protect the environment" (Art. 3).

The institutional structure is said to be influenced by the objective of efficiency and is composed of four organs: Meeting of Presidents, Council of Ministers, Executive Committee, and General Secretariat. In addition, the Meeting of Vice Presidents, the Central American Parliament, the Central American Court of Justice, and the Consultative Committee are "part of the System." (Art. 12)

SICA's scope is quite wide, since it includes the economic, social, cultural, environmental, and political dimensions of integration. There is no doubt that fifty years of integration had contributed to an impressive accumulation of issues tentatively addressed at the regional level, raising some doubts about the overall coherence of the process. Was SICA successful in bringing together the myriad of regional programs, or did it simply put an umbrella over them?

The first approach to this question consists in appreciating that the Central Americans did not make it easy for SICA to fulfill its mission.

As table 5.1 clearly shows, the 1990s have added many more institutions to the existing ones. Between 1992 and 1997, the Central Americans signed four important new treaties that complement the Tegucigalpa Protocol. First, on December 10, 1992, they adopt the status of the Central American Court of Justice. Then on October 29, 1993, they decide to reform the 1960 General Treaty of Integration, through a Protocol of Guatemala. A new broad ambition was announced—a Central American Economic Union, and a new methodology to fulfill it—"voluntary, gradual, complementary and progressive." In other words, the presidents upgraded their level of commitment, but introduced a variable geometry or multi-speed integration that I will comment on later. A series of more specific objectives are set: "improve the different stages of economic integration (free trade area, external trade relations, custom union, and monetary integration)"; "improve sectoral policies (tourism, agriculture, infrastructure, etc.)"; "improve the integration process' productivity (human resources, sciences and technology, environment)."

On October 12, 1994, the Central Americans signed a comprehensive treaty called Alliance for Sustainable Development (ALIDES), covering a wide array of issue areas, indeed practically all aspects of human life. The objective was to convert the region into a zone of peace, freedom, democracy, and development, with a shopping list of forty-one items specifying the ways to achieve it. The definition of sustainable development used by ALIDES is exceptionally wide, being a "process that pursues progressive change in the quality of human life and which targets human beings as the central and primary target of development. It is achieved through economic growth with social equity and changes in production and consumption patterns, based on ecological equilibrium and the support of the region. This implies respect for regional, national, and local ethnic and cultural diversity, and the enhanced and full participation of all citizens, living together in peace and harmony with nature, not jeopardizing but rather guaranteeing the quality of life of future generations."[13]

Finally, in 1995, two more treaties were signed. On March 30, 1995, they signed a Treaty of Social Integration; presented as a supplement to ALIDES, its objective was to design common social policies aimed at universalizing the access to social protection, using the same new "voluntary, gradual, complementary, and progressive" methodology. And on December 15, 1995, a Framework Treaty on Democratic Security in Central America was signed, positing that "the Central American Democratic Security Model is based on the supremacy and

strengthening of civil power, the reasonable balance of forces, the security of persons and of their property, the elimination of poverty and extreme poverty, the promotion of sustainable development, the protection of the environment, the elimination of violence, corruption, impunity, terrorism, drug trafficking, and arms trafficking. Also, the Central American Security Model will increasingly devote resources to social investments."[14] Interestingly, this Treaty does not limit itself to the enunciation of widely agreed principles, but also creates a Security Commission, as a subsidiary decision-making body composed of vice-ministers of foreign affairs and defense, and establishes mechanisms for the peaceful settlement of intraregional disputes and a reciprocal assistance mechanism in case of external aggression.

The signing of these new treaties cannot be comprehended only as an intra-regional spill-over effect. The international environment also ought to be taken into consideration.

Consider the example of ALIDES. As early as 1989, the Central Americans decided to unite their efforts to get ready for the 1992 Rio United Nations Conference on Environment and Development, creating a Central American Commission on Environment and Development (CCAD). The Rio Summit gave them the opportunity to realize that their commitment to environment protection would receive a warm welcome throughout the world, Central America being a small region with amazing biodiversity, hosting about 8% of the world species. When they signed the ALIDES Treaty on October 12, 1994, Vice President Gore was there and promised substantial US support. Two months later, on the margins of the Miami Summit of the Americas, a Central American-U.S. Joint Declaration Action Plan (CONCAUSA) would be signed to specify the cooperation in four major areas: conservation of biodiversity, sound use of energy, environmental legislation, and sustainable economic development. Later, in 2000, it would include climate change and disaster preparedness. Yet, as previously mentioned, the Central Americans chose a very large definition of sustainable development, with a clear intent to link several issues discussed on the international agendas. The emphasis on social issues, in particular, was a signal sent to the multilateral organizations and to the United States at a time when the Washington consensus would not incite the reform-makers to pay much attention to them. And of course, it was also a way of attracting financial assistance from many different sources.

Consider another example. The 1995 Treaty of social integration was also a signal sent both to the people of Central America and to the

international community, and an invitation for cooperation providers and donors, at a time when the liberal reforms had a severe social impact which the governments were unable to cope with. The different governments soon showed their total lack of concern for the design of a common social policy. They could not agree on the types of representatives they would send to the social council, hence there were many difficulties agreeing on an agenda for discussion.[15] In addition, the Secretariat was granted an advisory committee composed of the region's First Ladies. The General Secretariat for Social Integration (SISCA) was left with the delicate mission of raising funds to fulfill its missions or launching new programs to use the donors' funds. The governments never even paid their annual contributions to the functioning of the Secretariat.

We have just seen that the first half of the 1990s witnessed an impressive expansion of the scope of integration, putting at risk the construction of a coherent SICA. Interestingly enough, the Central Americans seem to have been perfectly aware of the possible negative effect. During the same San Salvador summit where they signed the Treaty of social integration, they commissioned CEPAL and BID to make an "evaluation of the operational management of the organs and institutions of Central American integration, in order to proceed with its modernization, in the pursuit of a better efficiency and efficacy of its procedures and results."[16]

Classically, the CEPAL-BID report starts by commenting on the great difficulty, for SICA, of coordinating the missions of many organs, some of them working poorly. SICA's executive committee, for instance, supposedly the main support body, had met only five times in 1995 and twice in 1996. The report insisted on the different organs' inability to progress in harmony with the expansion of the scope of integration. They seemed to be constantly lagging behind presidential decisions made during the Summits. One indicator of this disastrous situation was the financial resources of the organs. All together, the burden was quite modest for the governments, representing a mere 0.3% of their public expenditures at the time of CEPAL-BID's study.[17] Nevertheless, few governments cared to appropriate funds to contribute to the common budget, forcing the organs to depend on external assistance. Besides, the common budget was absorbed by few institutions, namely the Parliament (47%), SIECA (15%), the regional Court of Justice (11%), and the General Secretary (5.5%). The coordination task was also complicated by the fact that the institutions were created at different times, carrying with them

historically rooted conceptions of integration not necessarily compatible between themselves. Finally, a variable geometry and multi-speed integration had progressively been adopted. For instance, in the mid 1990s, the Custom Unions had only two members (Guatemala and Salvador) whereas the Regional International Organization of Agriculture Sanitation (OIRSA) had nine (seven Central Americans + Mexico and the Dominican Republic).

This last point deserves to be stressed. The level of integration in Central America has never been even. Depending on the issues, some countries could decide to opt out, Costa Rica typically being the free rider. This country for instance never signed the 1987 Treaty of the Central American Parliament. However, what until then was an exception became the rule with the 1993 Tegucigalpa Protocol and its gradual and voluntary methodology. This change has worked as an incentive to develop a utilitarian conception of integration, each country being free to legitimately decide its degree of commitment making a cost-benefit calculation, which contributed to undermining the building of a common regional interest. In other words, the British style opting-out strategy clearly favors the defense of national private interests and represents a regression in terms of the level of integration. It could be added that the variable geometry also introduces confusion with regard to the identity of the region, as some institutions have Mexico or the Dominican Republic among their members.

Getting back to the CEPAL-BID report, the diagnosis finally reached was that the "institutional universe put under the umbrella of SICA was already very diversified. This heterogeneity has been 'unified' without more than a vision of an integrated Central America and a declaration of the principle of 'coordination'." The report reckoned that the constitution of four sub-systems (political, economic, sociocultural, environment) of integration was a progress, but that it fell short of a much needed reform.

How can such a situation be explained?

The main factor, briefly mentioned in the report but deserving more attention, refers to presidential dynamism. Collective presidentialism has already been discussed in chapter four. What has not been discussed is the dynamics of the presidential summits. As mentioned in the introduction of this chapter, the presidents are often caught in a competition of their own. They have developed a kind of an "umbrella race" whose target is the signing of new treaties embracing the previous ones. And there is also the already mentioned temptation to shift to the regional level of policy-making some hard-to-deal-with issues.

The regional arena acts as a symbolic compensation for the domestic problem-solving deficits, supposedly bringing legitimacy gains for the presidents. In addition, the never-ending enlargement of the scope allows the presidents to keep up the momentum without paying too much attention to the delicate question of the level of integration.

Two other dimensions were mentioned by CEPAL-BID's report. The first one is the absence of consensus among the member states regarding the conception of integration. Traditionally, Guatemala pushes for deeper integration, while Costa Rica favors simple free trade. The echoes of the colonial past, when Central America was dominated by the General Captaincy of Guatemala, or of the post-independence Central American Federation also dominated by Guatemala, are no strangers to Costa Rica's reluctance to strengthen the political dimension of integration, at a time when this country has become by far the main economic power in the region. Unable to have a common vision of the future, the member countries have proceeded by aggregation without synergy, which is typically a way to avoid further discussions. The second dimension mentioned quite courageously by the report is the domestic problem of coordination faced by the member states. Just to illustrate this point, the report found that in Costa Rica there was no clear division of labor between the presidency and the ministries of economy and foreign relations, that the former had the control of the agenda, and that the latter were not contributing to the enforcement of regional norms. It also found that in Guatemala there were variable degrees of commitment between the different ministries. All the countries except possibly Costa Rica and Guatemala had human resources problems.

The report made a series of recommendations, as it was invited to do so. Inspired by CEPAL's conception of "open regionalism,"[18] the report insisted first and foremost on the necessity of improving the region's position in global competition. Therefore, the report suggested making a distinction between three spheres of articulation between scope and level of integration. The first one corresponds to the highest level of integration and an agenda limited to the improvement of the regional unified market, with a common trade policy and a complementarity between other public policies, such as the macroeconomic one. The second one has a lesser level of integration but an amplified scope, with a "functional cooperation" in the fields of environment, health, education, culture, transportation, infrastructure, and tourism. And the third one is even more modest as regards the level of integration and only one issue is on the agenda: Central

America is invited to keep on reinforcing its political collaboration to consolidate democracy.

The report also recommended continue to develop multiple arenas of negotiations (between governments, parliaments, and business organizations) and encouraged variable geometry, as long as the region agrees on a "meta-agenda," that is, preserving its will to collectively solve its problems.

Finally, as far as institutions are concerned, the report defended the option of a "flexible institutionalism," some kind of mid-way solution between minimalism (agencies offering support to private initiatives) and "institutional leadership" (with a regional bureaucracy), with a functional adaptation to problem-solving necessities.

Interestingly enough, the report included two scenarios for reform, depending on the political will of the governments. Plan A consisted in reforming the institutions within the system, whereas plan B represented a more radical change, with an invitation to rethink the different functions to be fulfilled at the regional level and rebuild the institutional structure accordingly. In any case, a preliminary step was the grouping of the six different secretariats into a single one.

The whole analysis and the recommendations were clearly influenced by an agenda of reforms that were designed to convince Central America to downgrade its commitment to integration and reduce its perimeter to free trade. During their nineteenth summit, held in Panama City on July 12, 1997, the presidents took the decision to follow CEPAL-BID's recommendations. They adopted an important document detailing different reforms aimed at strengthening and rationalizing the institutions.[19] Among them, it is worth mentioning: the adaptation and reinforcement of the Parliament and of the Court of Justice;[20] the creation of a link committee (to improve the communication between regional and domestic levels); the unification of the different secretaries; and the design of a regional strategy to coordinate international cooperation offers. Quite typically though, only two months later, before even starting to implement the reforms, the presidents gathered in Managua, Nicaragua, for an extraordinary meeting and announced in their joint declaration their intention to build a Central American Union.[21] The "umbrella-race" was not over.

In the subsequent years, some modest progress has been made. The different secretariats were unified, with the exception of the economic one (SIECA). Even if only two of them (Social, and Environment and Development) did actually move to SICA's headquarters in San Salvador, it represents a valuable step. Moreover, two organs were eliminated,

the meeting of the vice presidents and the Consultative Committee for economic integration.

Nonetheless, for a series of reasons that cannot be fully explained here, the implementation of the reforms ran into many obstacles. First, the 1990s witnessed an impressive reactivation of intra and extra regional trade (figures 2.1 and 2.2). The political reforms no longer appeared to be an urgent necessity. Second, the December 29, 1996 Guatemalan peace accord happily concluded a decade of intense regional diplomatic activities, and as a result, the coagulation effect of the crisis-solving efforts disappeared. The integration process simply ran out of steam. Third, the end of the 1990s saw several changes in the regional agenda. The years 1998–1999 are of particular interest, as they witnessed a sequence of events that diverted the Central Americans from the political reforms. On March 19, 1998, the ministers of trade representing the 34 countries involved in the Summit of the Americas' process met in San José, Costa Rica, for the IV Ministerial Meeting on Trade. The structure and organization of the negotiation for the Free Trade Area of the Americas (FTAA) were settled, with Costa Rica and Nicaragua scheduled to chair negotiating groups. The negotiations were then launched during the Second Summit of the Americas, held in Santiago, Chile, on April 18–19, 1998. Central American diplomats would from then on shift their priorities to the hemispheric arena of talks. At the end of October 1998, Hurricane Mitch devastated the region and in particular destroyed much of Honduras' infrastructure. At first, this disaster triggered a remarkable effort of solidarity. An extraordinary meeting of presidents was called on November 9, 1998. In their final Declaration,[22] the presidents admitted that "the dimensions of this tragedy compromise the future of the region," and called upon multilateral institutions and different donors to provide much needed help. They also urged the United States and the European Union to remove their tariff barriers. The reconstruction task monopolized the regional agenda, replacing the political reforms. On December 11, 1998, U.S. president Clinton received in Washington the presidents from Costa Rica, El Salvador, Honduras, Nicaragua, and the Guatemalan vice president, to talk about the United States' contribution to the reconstruction effort. In early 1999, the Central Americans had met to prepare for the visit of President Clinton scheduled for March.[23] During his visit, Clinton promised to make an effort of debt relief for Honduras and Nicaragua and to contribute $25 million to the Central American emergency fund. He also promised to help expanding the benefits of the Caribbean Basin Initiative (CBI).[24]

The external agenda of talks got even more complex with the 2001 Mexican offer to discuss a Puebla Panama Plan (PPP). The idea was to foster economic cooperation, build infrastructure, reduce poverty, and enhance the response to natural disasters along the Meso American corridor.[25] Seven Central American States (Belize, Costa Rica, Guatemala, Honduras, Nicaragua, Panama, and Salvador) were involved along with nine Mexican States (Campeche, Chiapas, Guerrero, Oaxaca, Puebla, Quitana Roo, Tabasco, Veracruz, and Yucatan). And finally, the United States offered in 2003 to negotiate a Central American Free Trade Agreement, including the Dominican Republic (RD-CAFTA). The U.S. administration did not leave much room for negotiation, concluding the talks in less than a year and a half. The Treaty was signed on May 28, 2004.

Some domestic problems also contributed to the paralysis of the reforms' implementation. Costa Rica, for so long a model of democracy, discovered in 2005 that its politicians were as corrupted as in any other country. Its judiciary system proved to work better though, as ex-presidents Miguel Angel Rodríguez (for a short while OAS Secretary General) and Rafael Angel Calderón Fournier were sent to jail. A third ex-president, Figueres Olsen, decided not to come back from a trip to Switzerland.

If the overall political reform was pretty much stalemated during much of the 2000s, external incentives kept on playing a determinant role in the scope of evolution of integration. Let's consider just one example, the Social integration secretariat (SISCA). Between 2004 and 2007, SISCA had managed to launch a series of new projects, in most cases accepting different offers from foreign donors. While the contributions of the member states amounted to $25,000 a year for the Social Integration Council and $13,000 for the Council of Ministers of Health, representing a total amount of $798,000, the eleven project of SISCA in September 2007 amounted $28.4 million.[26] In addition to social issues, some other issues made their way up to the regional agenda and contributed to the evolution of the scope of integration, like HIV/AIDS,[27] energy,[28] or security.[29]

After a decade of paralysis, the presidents decided to reactivate the reforms and give the integration process a new impetus. The reasons for this change of mood are many, but the external incentives once again played an important role. On one side, the Central Americans' international agenda has been cleared, with the signing of the Free Trade agreement with the United States (DR-CAFTA) and the failure of the FTAA, the burden for the diplomats was alleviated. On

the other side, the opening of new rounds of talks with the European Union in 2007 forced the Central Americans to get back to work. For the European Commission, "the overall objective of the 2007–2013 strategy for Central America will be to support the process of political, economic and social integration in the context of preparation of the future Association Agreement with the EU."[30]

During their extraordinary meeting held in Guatemala City on February 26, 2004, the Central American presidents created an ad-hoc Commission for the integral reform of Central American institutions. The Commission was instructed to suggest a plan of reforms during the twenty-fourth summit in June 2004. It did it, but it took four more years for the reforms to take shape. And on February 20, 2008, the presidents met for an extraordinary meeting centered on the issue of institutional reform. They adopted a Protocol of reforms for the Parliament[31] and proceeded to the installation of a SICA Executive Committee. In Parallel, Guatemala officially joined the Central American Court of Justice.

I will comment later in chapter six on the reform of the Central American Parliament. What can be concluded for now is that this reform fell short of a sweeping reorganization. However, it remains to be seen if SICA's Executive Committee will offset the centripetal dynamics of integration.

CAN and MERCOSUR: Quantitative Analysis of the Agenda

Much of what has been said about Central America would apply to the other Latin American regional integration processes. There is a widespread tendency to expand the scope that is not matched by an increase in the level of integration.[32]

In this section, I analyze the evolution of the agendas, making a quantitative analysis of CAN and MERCOSUR's decisions.

The Andean Group and the Andean Community have progressively made the integration process a much diversified one. Nevertheless, the Andean Community's agenda has been overwhelmingly dominated by issues related to trade and politics, reflecting recurrent efforts to liberalize trade and the complex process of institution building described in chapter four (table 5.2 and figure 5.1).[33]

The way the agenda has evolved over the years is interesting (figure 5.2).[34] Not only has the process undergone a series of crises and

Table 5.2 CAN's decisions, 1969–2008

Issue Area	*Detail*	*Number of Decisions*	*%*
Politics	Institutions, External Relations, Human Rights, Security	238	34
Trade	Customs, Custom Union, Norms of Origin, Free Competition, Technical Norms, Export Promotion, Intellectual Property, Services, Sanitary Rules	311	45
Economy	Development, Statistics, Economic Policy, Fiscal Policy, Industrial Policy	102	14
Social	Social Agenda, Anti-Drug Policy, Migrations, Health, Labor	37	5
Environment	Environment	9	1
Culture	Science, Technology, Education	10	1
TOTAL		707	100

Source: Author's elaboration using data from CAN's official Web site (http://www.comunidadandina.org/normativa.htm), accessed on March 21, 2008.

reactivation but some issues virtually disappeared while others made their way to the agenda. Consider the example of economic issues (figure 5.3).[35] Quite typically, during the 1970s, the Andeans tried to implement industrial policies, an ambition that has been abandoned since the 1990s, as the import-substitution strategy was no longer popular in the region. Economic policies took the lead during the 2000s, with a tentative harmonization of fiscal policies and an effort to put in place a regional system of statistics.

The example of the social area is also illustrative. Some decisions were taken during the early stages of the integration process, such as Decision 39 creating an Andean Council of Social Issues (1971), Decision 68 creating a Health Council (1972), or Decisions 113 and 116 creating Andean instruments of respectively social security and labor migration (1977). In 1979, Decision 148 just sets the rules for the Instrument of social security, and then the social issue disappears from the agenda for ten years. In 1989, drug trafficking in the region calls for collective action and Decision 250 launches an Action plan for substitution and alternative development in coca production zones. During the 1990s, a series of decisions are made related to migration (Decision 397 creating a common migratory document in 1996) and health (to confront Cholera or to organize the Andean Social

Accord). Nevertheless, it is during the first half of the 2000s that the issue is tackled more vigorously, with many important decisions, among them the 2004 Decision 601 adopting an Integrated Plan of Social Development. Other than that, alternatives to drug production and migration (Andean passport) dominate the agenda. Yet this new Andean Community's concern with social issues should not be overestimated, sometimes older decisions are simply refreshed. Consider the example of labor issues. Decisions 113 (Andean instrument of social security) and 148 have already been mentioned. In 2003 and 2004, Decisions 546 and 583 further reformed Decisions 113. The same happened with Decision 116 (Andean Instrument of labor migration), replaced in 2003 by Decision 545.

In some issue areas, the Andean Community has been very innovative. Traditional knowledge and biodiversity is a good example because the Andean community is composed of megadiversity countries, concentrating about 25% of all biological diversity in the world.[36]

Following the 1992 Rio Summit's Convention on Biological Diversity (CBD), CAN adopted, in 1996, its Decision 391 called the "Common regime for access to genetic resources," where it clearly acknowledges that its amazing natural wealth ought to remain under the sovereign control of its indigenous people. At that time, it was the first international regulation of that sort in the world, so CAN clearly took the lead in that respect. Then in 2000, through its Decision 486,[37] CAN adopted a series of dispositions that are compatible with the 1994 WTO's Trade-Related Aspects of Intellectual Property Rights (TRIPS) Agreement. In its Article 3, Decision 486 stipulates that "member countries ensure that the protection granted to industrial property elements will be safeguarded and respecting their biological and genetic patrimony as well as their Indian, Afro-American or local communities' traditional knowledge. In that sense, patent concessions referring to inventions developed from material coming from this patrimony or knowledge will be subordinated to this material having been acquired in conformity with international, national, and communitarian legal order. Member countries recognize the Indian, Afro-American and local communities' right and faculty to decide over their collective knowledge."[38] Finally, in 2002 CAN adopted Decision 523 putting forth a comprehensive "Regional biodiversity strategy."

CAN's conception of patents is compatible with Article 27 of the TRIPS Agreement that posits criteria defining a patent: "Patents shall be available for any inventions, whether products or processes, in all

fields of technology, provided that they are new, involve an inventive step and are capable of industrial application."[39] The same article provides exceptions that are worth mentioning: "Members may exclude from patentability inventions, the prevention within their territory of the commercial exploitation of which is necessary to protect *ordre public* or morality, including to protect human, animal or plant life or health or to avoid serious prejudice to the environment, provided that such exclusion is not made merely because the exploitation is prohibited by law." And finally, the same article adds,

> members may also exclude from patentability: a) diagnostic, therapeutic and surgical methods for the treatment of humans or animals; b) plants and animals other than micro-organisms, and essentially biological processes for the production of plants or animals other than non-biological and microbiological processes. However, members shall provide for the protection of plan varieties either by patents or by an effective *sui generic* system or by a combination thereof. The provisions of this subparagraph shall be reviewed four years after the date of entry into force of the WTO Agreement.

Throughout the 1990s, the United States has progressively introduced standards of patentability to new subject matters, such as living organisms, and has introduced new criteria like utility, novelty, and non-obviousness. As Gómez Lee stated, "the Andean norms could be affected by a FTA with the United States, as this country has not ratified the CBD and its rules concerning intellectual property allow taking control of genetic resources and traditional knowledge without any consideration of their country of origin's sovereignty."[40]

In MERCOSUR, the agenda of integration has also evolved over the years. What started in 1991 as a limited project to open a custom union in three years, progressively turned out to be a complex process mixing different types of issue areas (table 5.3, figures 5.4 and 5.5).[41]

Even if the trade issue understandably dominated the agenda during the first years of transition (1991–1994), some other issues were introduced very soon. In 1992 for instance, the Common market council (CMC) adopted its Decision 7-92 on education. Its objective was to promote the formation of a citizen's consciousness favorable to integration, as well as to harmonizing the educational programs between the member countries. Two years later, the first protocol on education was adopted (Decision 4-94), regarding mutual recognition of elementary

Table 5.3 MERCOSUR's decisions, 1991–2007

Issue Area	*Detail*	*Number of decisions*	*%*
Politics	Institutions, External Relations, Human Rights, Security	264	50
Trade	Customs, Custom Union, Norms of Origin, Free Competition, Technical Norms, Export Promotion, Intellectual Property, Services, Sanitary Rules	171	33
Economy	Energy, Tourism, Small Business, Economic Policy	42	8
Social	Social Security, Health, Labor, Environment	21	4
Culture	Culture, Education	28	5
TOTAL		526	100

Source: Author's elaboration using data from MERCOSUR's official Web site (http://www.mercosur.int/msweb/), accessed on April 15, 2008.

school formation. Others would follow, and ten years later a common funding for education was created through Decision 32-04.

In a similar vein, despite the dominant neoliberal mood of the early 1990s, a certain social sensitivity is perceptible with Decision 8-92 on informal jobs. In 1997, a multilateral agreement on social security was adopted (Decision 19-97), following a recommendation of working group 10 on labor.

Other issue areas can be mentioned such as security, introduced for the first time in 1998 and subsequently very important in 2000 (with 16 decisions related to that topic), infrastructure and energy integration (electricity in 1998, gas in 1999), coordination of macroeconomic policies in 1999, environment in 2001 or election monitoring (for Bolivia in 2005). In many instances, the evolution of the scope of integration owes a great deal to pressure group activism. In the case of MERCOSUR's preoccupations with labor the role of the Southern Cone Coordination of Unions (CCSCS), in particular, has been well documented.[42] We will get back to this dimension in chapter seven.

Despite this progressive diversification, the main issue area dominating the agenda has been politics, and that reflects several features of this integration process.

First, it reflects the incremental method chosen by the member countries right from the beginning. As mentioned in chapter four, MERCOSUR promoters made the choice of institutional modesty,

and did not provide for a complex institutional arrangement. However, as the integration process unfolded, many new organs were created. Each year a great number of decisions consisted in creating new common ministerial meetings or ad hoc working groups.

Second, it reflects the instability of the integration process. Figure 5.4 has two peaks of political decisions, in 2000 and 2004, following two periods of stalemate. The first peak corresponds to a relaunching of the integration process, with the backdrop of economic turmoil in the region (1999 Brazilian devaluation and beginning of the Argentine crisis). No less than eleven decisions are titled "relaunching" (*relanzamiento*), applied to access to market, norms compliance, strengthening of the secretariat, and so on. The other group of decisions, as noted above, is related to security issues. The second peak corresponds to a second effort at relaunching in the aftermath of the Argentine crisis. Celebrating the tenth anniversary of the Ouro Preto Protocol, a series of important decisions were adopted, among them Decisions 45-04 and 49-04 creating respectively a Fund for structural convergence and a regional Parliament. Both decisions will be studied in part 4 of this book.

Third, the numerical importance of political decisions reflects the fact that MERCOSUR is very attractive for its neighbors and to the rest of the world. Many decisions are related to MERCOSUR's external relations. Starting in 1995 with its negotiations with the European Union, and in 1996–1997 with the association of Chile and Bolivia, MERCOSUR has had a busy international agenda. The rest of the Andean countries became associate members in 2004, and Venezuela a full member in 2007, and different types of agreements have been signed with other countries like South Africa (2000), México (2002), India (2003), Egypt (2004), Pakistan and Cuba (2006), and Israel (2007).

In short, CAN and MERCOSUR have been opening up their agendas to new issue areas, as a consequence of its overall ambition and complex institutional arrangement in the former case, and of its dynamics of crisis, relaunching and deepening in the latter.

NAFTA as an "External Constitution"

The scope and level of integration have so far been apprehended as dependent variables. The example of NAFTA allows us to introduce a final series of remarks concerning the consequences of a certain configuration of scope and level.

NAFTA can be characterized as relatively modest in terms of scope and level of integration. The institutional architecture is rickety, with only a Free Trade Commission, composed of Ministers of Trade and Secretariats in each country. Admittedly, NAFTA has also, like the MERCOSUR, dozens of working groups, subgroups, ad hoc groups, committees, and subcommittees. NAFTA also has two special organizations, one for labor (Commission for Labor Cooperation, CLC), and the other for environment (Commission for Environment Cooperation, CEC).

NAFTA is also limited in scope, with an agenda centered on free trade. Although the agreement, building on the Canadian-U.S. Free Trade Agreement (CUSTA), has been innovative, it did not include an evolution clause,[43] nor did it aim for the integration process spilling over into adjacent issue areas. Nevertheless, NAFTA offers a curious mixture of apparent modesty in its institutional arrangements and agenda, and yet its outcomes have a deep impact, to the point that some authors have qualified it as having an external, secret or supra constitution.[44]

The argument goes as follows. CUSTA and later NAFTA have introduced an innovation as they included services and investments in the realm of trade liberalization. This has entailed a series of consequences not foreseen by the Canadians, although some tend to think it was actually planned by the Americans.[45] For Stephen Clarkson, "NAFTA established several government-inhibiting principles to be applied to all policies, regulations, and actions of member states."[46] By so doing, according to Clarkson, NAFTA constitutionalized a pro-market neoconservative ideological orientation that would constrain any future policy-making in the region. Under NAFTA rule (its famous Chapter 11), any decision taken to protect the environment, health or food quality or safety is susceptible to being opposed by any investor on the grounds of being trade-restricting. In addition to limiting governments' capacities, NAFTA also grants specific rights to corporations, and sets up a process for settling disputes favoring investors over States. As far as enforcement is concerned, NAFTA cannot prevent the most powerful of its member from selecting the judgments it is going to abide by, making it very uneven. Clarkson concludes quite convincingly that "with most of its new rules exporting the U.S. norms and with its lack of supranational institutional structure that could give Canada and Mexico voice at the continental level, it barely affected U.S. constitutional reality. For the two peripheral countries, NAFTA entered their constitutional makeup as external components, reconstitutionalizing

both."[47] The post 9/11 evolution of NAFTA toward "deeper integration," with the inclusion of new issues on its agenda, like borders, security, energy, water, or dollarization has aggravated the unbalance, as the United States has used the "home security" excuse to impose its own standards.

We will analyze in further details the type of governance that is under construction in the Americas in chapter nine. What can be said for now is that supplementing the study of agendas by an examination of outcomes leads us to conclude that the scope of integration is relative. Depending on their origin and their degree of compliance, the norms adopted can have very different impacts in the member countries. And that differential impact is not only a consequence of a multi-speed, or variable geometry methodology of integration, it is also a product of power-politics.

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PART 4

Democratizing Regional Integration

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CHAPTER SIX

The Parliamentary Option

Surely because the dominant and most legitimate model of democracy in the world is the representative one, there is a widespread belief that the best way to democratize a regional integration process is to create a regional parliament and grant it important prerogatives. This parliamentary option, needless to say, raises many questions. Does it make sense to create a parliament when the regional institutional arrangements are deprived of the other traditional components of a democratic polity, such as governments or political parties? Does it make sense to do it in Latin America where there is no tradition of parliamentarianism, and where parliaments are traditionally considered weak?

Some analysts have simply answered no to these questions and considered regional parliaments in Latin America as just decorative and costly device imported from Europe without much caution. This is also a common belief in Latin America, especially in Central America.

Yet arguably there is more to it than a mismanaged transplant. No integration process in Latin America has included in its initial institutional architecture a parliament. Therefore it is interesting to explore the motives of the reforms that have led to the creation of the parliaments, in particular in MERCOSUR, since right from the beginning this integration process made the choice of institutional modesty, refusing to copy the European model. As we saw in chapter four, MERCOSUR has not been able to stick to its initial intentions for very long.

For all the three Latin American parliaments that are part of regional integration processes (in Central America, in the Andes and in MERCOSUR), the European Parliament represents a model of what should be achieved. However, most of the time the Latin Americans

want to copy the end-product, without considering the long evolution that led to it.

In order to assess the particularities of the Latin American parliaments, this chapter will start with a brief reflection on the European case. Then the Latin American experiences will be studied, first with a brief examination of the forums of deliberation and the three different older experiences (CAN, SICA, and CARICOM) and then with a longer analysis of MERCOSUR's rationale to create a parliament.

How Did the European Parliament Become What It Is?

After World War II, the creation of almost every international organization was inspired by an ideal of representative and liberal democracy. The Council of Europe, the Western European Union, and the North Atlantic Treaty Organization (NATO) all had Parliamentary Assemblies composed of parliamentarians from member countries. As far as the European construction is concerned, Paul Magnette states that "it would have been abnormal and unacceptable for the Parliamentarians who were supposed to ratify the Treaty if, in the context of post-war restoration of democracy, the European Community, even with a limited agenda, did not have an Assembly."[1] The 1951 European Coal and Steel Community (ECSC) had an Assembly that was supposed to control its High authority. At that time, again following Paul Magnette, these Assemblies were inspired by the dominant conception of parliamentarianism. Assemblies were to be controlling bodies and take no part in the decision-making process.

Preparing the Treaty of Rome that gave birth to the European Economic Community (EEC), the promoters of integration did not dare to push the logic of parliamenarism to its ultimate conclusions. The defenders of the parliamentary option had to face the resistance of powerful sectors favorable to a technocratic depoliticized conception of an integration process. The European Commission would not be a traditional government with a Parliament comparable to the German upper house (Bundesrat) representing the states, hence the institutional arrangement would become an "unidentified political object," as Jacques Delors used to call it.

This strange polity became the object of criticism right from its beginnings in the 1960s. The supranational powers of the Commission infuriated French president De Gaulle, and many Parliaments had the bitter impression of being deprived of their traditional law-making

capacities. The complicated policymaking process was soon attacked on the ground of its democratic deficit.

I agree with Follesdal and Hix when they define the European democratic deficit as including five claims: "First and foremost, European integration has meant an increase in executive power and a decrease in parliamentary control;" "Second, and related to the first element, most analysts of the democratic deficit argue that the European Parliament is too weak;" "Third, despite the growing power of the European Parliament, there are no 'European' elections;" "Fourth, even if the European Parliament's power were increased and genuine European elections were able to be held, another problem is that the EU is simply 'too distant' from voters;" and "Fifth, European integration produces 'policy drift' from voters' ideal policy preferences."[2]

The transformation of the European Assembly into a genuine elected Parliament in 1979 was the first step in the direction of the integration process' democratization. And the subsequent Treaties have progressively strengthened it. It is interesting to observe that the evolution of the European Parliament has been the exact opposite of the national ones. While the latter have progressively given up their legislative capacities and concentrated on monitoring governments' decisions, the former has managed to take part in the policymaking process to the point that a co-decision procedure has been institutionalized.[3]

How did the European Parliament gain influence and conquer prerogatives? This is an interesting story.[4] There has never been a consensus among integration promoters on the necessity of democratizing the process. As previously mentioned, the technocratic emphasis has long been dominant. The so-called founding fathers were anxious to preserve the integration process from any political interference. Jean Monnet, for instance, has had a very rich experience of planning economic activities during the two World Wars and had been the founder and first boss of the French planning agency before he masterminded the Franco-German reconciliation and the first steps of European integration. As president of ECSC between 1952 and 1955 Jean Monnet tried his best to run it as a neutral depoliticized agency. Yet the French refusal to ratify the European Defense Community (EDC) project in 1954 proved him wrong.

In this context of tentative depoliticization, the Assembly did not receive much attention during its first twenty years. However, two silent evolutions changed the panorama.

First, the European parliamentarians secured the right to elaborate their own rules of procedure, and managed to import many of the

rules they were familiar with in their own parliaments. Since all the parliamentarians came from parliamentary regimes,[5] they imported the rules that made it possible to control the executive power. Such rules as the right to form an investigating committee, or the right to present a petition, or even the right to hold hearings of members of the Commission, and later the vote of investiture or the recall procedure, were all procedures the European parliamentarians progressively introduced or tried to introduce. Without a doubt, this allowed them to gain influence in the overall institutional framework. More than anything, this enabled them to be well informed and acquire an expertise that was almost comparable to the Commission's, making it easier for the parliamentarians to discuss the Commission's proposals and suggest amendments. The important point in understanding the parliament's evolution is that these rules of procedures and practices, progressively and empirically introduced by the actors, were later constitutionalized through the 1986 Single Act, the 1992 Maastricht Treaty, and the 1997 Amsterdam Treaty that introduced the co-decision procedure.

Second, in addition to these incremental institutional evolutions, there have been two important political moments that contributed to converting the Parliament into a heavy political actor. The first occurred in 1979. The first popular direct election of the Parliament gave the parliamentarians an unquestionable democratic legitimacy, and allowed them to claim more political space in European institutions. The second one occurred twenty years later, when the Parliament flexed some muscle during the "mad cows" crisis, forcing the Santer Commission to resign. In the midst of the crisis, the Parliament decided, in 1997, to create a Committee of Independent Experts to investigate the mismanagement of the crisis by the Commission. Its conclusions were devastating for the Commission, accused of incompetence and irresponsibility. Another report, unearthing fraud and nepotism, convinced the Commission to collectively resign in March 1999.

Thanks to this political-institutional evolution, the European parliament, according to Olivier Costa, has ended up fulfilling five very important functions: (1) Forum of expression; (2) Nomination and hearings of commissioners; (3) Vote of no-confidence and control over the Commission; (4) Co-decision; and (5) Budget appropriation.

However, Costa rightly points out that the influence of the Parliament depends on its capacity to make strategic use of its prerogatives. This capacity however is very much subordinate to the political debates inside the Parliament, where three different types of cleavages can overlap or

crosscut: partisans and opponents of politicization (the former being the Latin European counties with parliamentary regimes, the latter the Anglo-Saxon ones); the two dominant political parties (rightist European Popular Party and leftist Party of European Socialists) against the small parties who feel excluded from the deliberation and debates; and parliamentarians from large versus small countries.

Recalling the domestically inspired mimetism evoked in chapter four, the European Parliament is a synthesis of the different institutional and political practices that characterize the member countries, as well as the product of daily political debates inside its arena. This synthesis is the product of a long evolution, where the actors managed to have their practices institutionalized in the Treaties.

These features are important to bear in mind as we turn to Latin American experiences.

Latin American Forums of Deliberation

Latin America has a rich experience with regional forums. Nevertheless, despite the fact that they all share the name of Parliaments, some distinctions ought to be introduced (table 6.1).[6]

Some Parliaments are just forums of discussion and deliberation and some are linked, one way or another, to regional integration processes. In this section, I will discuss the former, leaving the latter for the next section. The first forum, the Latin American Parliament (PARLATINO) was created on December 7, 1964 in Lima, Peru. Some 160 parliamentarians from fourteen countries gathered in Peru's capital city to honor the invitation of Peruvian deputy Andrés Townsend Ezcurra, from the American Popular Revolutionary Alliance (APRA), who wanted to bolster regional integration at a time when the Latin American Free Trade Association (ALALC) was having great difficulties. In the subsequent years, the PARLATINO would also become a permanent democratic more or less informal institution, at a time when democracy was jeopardized in the region. No authoritarian regime paid attention to PARLATINO, even less thought of endowing it with a legal personality, but during twenty-eight years, it held meetings in different countries, making it an itinerant assembly. In 1974 it received strong support from Europe, as the European Assembly, keen to secure international recognition, organized a first common meeting. The EU-Latin America Interparliamentary Conference would from then on meet every two years.

On November 16, 1987, in the context of the wave of democratizations, a Treaty institutionalizing PARLATINO was signed in Lima, Peru. Five years later, PARLATINO was installed in Sao Paulo, Brazil, in an impressive building especially designed by famous Brazilian architect Oscar Niemeyer to symbolize the union between the peoples of Latin America.

In 1991, PARLATINO decided to relaunch its activities, trying to jump on the bandwagon of integration. As many processes were reactivated or new agreements were signed, 227 parliamentarians adopted during the Thirteenth PARLATINO assembly, held in Cartagena, Colombia, in August 1991, an ambitious project of Latin American Community of Nations. The project was presented to the Rio Group during its December 1991 summit, and a year later, the same Group expressed its supports of the idea during its Buenos Aires summit of December 1–2, 1992. The first concrete step was taken at the beginning of 1993, with the creation of the Latin American University (ULAC) in Brasilia. This though did not prove enough to trigger a mobilization in favor of PARLATINO's projects and the Parliament did not manage to become an important promoter of integration during the 1990s and 2000s. In their Cusco Declaration (December 8, 2004), when the Latin American presidents created the South American Community of Nations, it did not cross their mind to mention PARLATINO's previous idea.

However, as with the rest of Latin American parliaments, it would be unfair to evaluate PARLATINO with strict utilitarian arguments. The representatives from twenty two countries[7] have indeed gathered for many years and contributed to feed the integrationist spirit all over the continent even during the harshest times. Some parliamentarians kept on participating in the Assemblies even when their own Parliament had been shut down by military regimes. Without a doubt they kept alive some modest form of democratic deliberation in times of authoritarianism. And finally, PARLATINO got to discuss many important topics that would later make their way up to the official agendas of the Summits during the 1990s. Though, it is true, many other arenas of discussion and deliberation emerged from the 1990s, and it could be that PARLATINO only owes its continued existence to classic institutional stickiness.

The second Latin American forum is the Indigenous Parliament of America (PIA), officially created on August 31, 1988, in Panama. PIA is a different type of forum, less preoccupied with promoting regional integration and much more with defending the rights of a

certain category of people. Chapter 1, Article 2, of its status posits that the "Indigenous Parliament of America constitutes in essence a socio-political space where the Indigenous parliamentarians from America will discuss and unveil the problems that are affecting the Indigenous peoples, and will suggest ways to address them."[8] Composed of parliamentarians of Indigenous origin from North, Central, and South America, its main vocation is to design pieces of legislation favorable to the Indigenous minorities and support all sorts of mobilization defending their rights.

The third forum, the Amazon Parliament (PARLAMAZ), belongs to another category, as it focuses on a limited number of issues that are crucial for a whole transnational region. The only thing it has in common with PARLATINO is its Peruvian origin. In 1989, a group of Peruvian parliamentarians took the initiative to suggest the creation of a Parliament to call attention to the environmental problems of the region. The eight countries sharing the Amazon Basin, namely Bolivia, Brazil, Colombia, Ecuador, Guyana, Peru, Suriname, and Venezuela decided to go along with the idea. Several Assemblies were organized where the representatives of the member countries Parliaments discussed the need to better protect the biological diversity of the region and to promote sustainable development.

Previously, the same eight countries had signed, in 1978, an Amazon Cooperation Treaty. The relation between the Amazon Cooperation Treaty Organization (OTCA) and PARLAMAZ were never clear. OTCA does not even include PARLAMAZ in its institutional architecture.[9] Moreover, Brazil has always been an active participant in OTCA, an organization created by the Brazilian authoritarian regime. Yet the Brazilians never got much involved in PARLAMAZ, which of course seriously weakened the Parliament.

Without a clear mission, PARLAMAZ interrupted its activities in 2001, but in 2006 a political will to relaunch it emerged during a meeting in Bolivia with representatives from Brazil, Ecuador, and Venezuela. The "Declaration of Pando" (December 13, 2006) called for a reactivation of PARLAMAZ, highlighting the necessity to design policy projects in the realm of sustainable and social development. It was clearly a political initiative, and the fact that President Chávez supports PARLAMAZ could further contribute to Colombia and Peru's reluctance to reactivate it.

Finally, a fourth forum was created in 2005, gathering black parliamentarians from the continent. A first Meeting of Afro-Descendant Legislators of the Americas and the Caribbean took place in Brasilia on

November 21–23, 2003 with parliamentarian from Brazil, Colombia, Costa Rica, Ecuador, Panama, Peru, and Uruguay. The Charter of Brasilia called for the creation of a Black Parliament of the Americas, in order to discuss the progress made regarding the fight against racism and the enforcement of recommendations made during the 2001 Durban World Conference against racism. This first meeting received strong support from recently sworn in Brazilian president Lula, who proudly heralded a fierce fight to eradicate any form of racism in Brazil. During its second meeting in May 2004 in Bogotá, Colombia, the group decided to create the Black Parliament, and insisted in convincing other Parliaments, such as the PARLATINO or COPA (see the following section), to include the black issue on their agenda of work. The third meeting was organized in San José, Costa Rica. The closing of the event took place in the city of Limon, on the Caribbean coast of this Central American country, where on August 30, 2005 the Black Parliament was officially inaugurated. In its inaugural statement, the Parliament presented itself as a forum dedicated to making proposals defending Afro-descendants' rights. Epsy Campbell, a Costa Rican black deputy, became the first president of this parliament.

Since then, the Black Parliament has become a network of parliamentarians committed to the defense of civil rights and social inclusion of a population of 150 million. The fourth session, on March 14–16, 2008 in Cali, Colombia, brought together 45 representatives from all over the continent, including the United States.

In addition to these four Parliaments, there are two hemispheric interparliamentary organizations. The first one to be created was the Parliamentary Confederation of the Americas (COPA). COPA gathers congresses and parliamentary assemblies of the unitary, federal, federated, and associated states of the continent, but also the regional parliaments and the interparliamentary organizations of the Americas, representing a total of three hundred assemblies. COPA was created by the National Assembly of Québec, Canada, on a very political basis. The idea was to discuss the hemispheric regionalization project, with a critical stance, and organize a follow-up of the Summit of the Americas' decisions. On September 18–22, 1997, the Québec Assembly called for a hemispheric parliamentary conference titled "The Americas in 2005: Democracy, Development and Prosperity." More than 400 parliamentarians from twenty-eight countries attended the conference and shared ideas about regional integration. Since 2000, COPA holds annual general assemblies.

COPA's intention was clearly to force the democratization of the Summit of the Americas' process in general, and of the Free Trade Area of the Americas (FTAA) talks in particular. The 2001 Quebec III Summit of the Americas proved to be a very frustrating experience. In the same city that conceived the project, COPA was excluded from the negotiations, triggering bitter comments from COPA's president Jean-Pierre Charbonneau.[10]

The second one, the Inter-Parliamentary Forum of the Americas (FIPA), was also born in Canada, but in Ottawa, when the Federal Parliament invited on March 7–9, 2001, delegates of the Assemblies of twenty-six American countries. The objectives were to "contribute to the development of inter-parliamentary dialogue in dealing with issues of the hemispheric agenda . . . help strengthen the role of legislative branch in democracy and in the promotion and defense of democracy and human rights . . . contribute to the process of integration as one of the most appropriate instruments for sustainable and harmonious development in the hemisphere."[11] FIPA was more politically correct than COPA and managed to have some recommendations passed on to the Quebec Summit.

And finally, in the framework of the projected South American Union of Nations (UNASUR), a new South American Parliament is under discussion.[12]

Latin American Parliaments and Regional Integration Processes

All Latin American regional integration processes have, at one moment or another, created regional parliaments. We will briefly revise the Andean, Central American and Caribbean experiences in this section, before turning to MERCOSUR's in the next section. The curious circumstances that presided over the signature of the 1979 Treaty creating the Andean Parliament have already been commented on in chapter three. The Treaty entered into force in 1984 and for years PARLANDINO was not very active, as its ordinary sessions only lasted two days, twice a year, in March and November. In the wake of the 1996 relaunching of the Andean integration,[13] a new treaty was signed on April 23, 1997. This additional Protocol to the 1979 Treaty creating PARLANDINO introduced the direct popular election of five Andean parliamentarians for each member country. Until this election, they were just chosen by their pairs. At the time of the signing, CAN

had five members. Venezuela, which was the first country to elect its Andean parliamentarians, decided to withdraw in 2006. Ecuador and Peru proceeded to organize elections, respectively in 2002 and 2006. Colombia is scheduled to do so in 2010 and Bolivia will also, once its process of constitutional reform is over. In 2006, the rules of procedure were changed, extending the sessions to four months, twice a year.[14]

Despite the reactivation of PARLANDINO and the remodeling of its installations in Bogotá, its role remains modest.[15] PARLANDINO is supposed to be a deliberative body entitled to make recommendations, yet no organ of CAN has an obligation to consult it. PARLANDINO is in no position to offset the concentration of powers in the hands of the executive organs and the presidentialism already commented on in chapter four.

Much the same could be said regarding the Central American Parliament (PARLACEN), although the rationale of its foundation has been different. As noticed in chapter two, PARLACEN was very much a by-product of the Central American crisis-resolution efforts. When Guatemalan president Cerezo suggested in 1986 the creation of a regional Parliament, he had in mind a forum of deliberation to accompany the peace talks in the region. It was a way to associate the political parties with the effort of imagining alternatives to war.

The Constituent Treaty of PARLACEN was signed on October 2, 1987, and entered into force on May 1, 1990, with three countries having ratified it (El Salvador, Guatemala, and Nicaragua). On October 28, 1991, the Parliament was inaugurated in its new installations in Guatemala with twenty parliamentarians elected from each of the three countries.

The 1987 Treaty gave PARLACEN ambitious prerogatives. True, PARLACEN was deprived of any legislative functions, but its role was to be a consultative forum and to promote and drive the integration process. It even had the capacity to designate and revoke the different organs' executives, and make proposals of treaties. PARLACEN could have developed a political capacity to monitor the process of integration, yet its prerogatives were undermined by a first protocol in 1989 that allowed the Parliament to be installed with only three countries having ratified the Treaty and more importantly that suspended the capacity to designate the integration authorities. Then the December 13, 1991, Protocol of Tegucigalpa that created the System of Central American Integration (SICA) confirmed this downgrading.

As a matter of fact, SICA has awarded a very modest role to PARLACEN, limiting it to a deliberative assembly. Between 1987 and

1991, the crisis-resolution efforts proved to be successful and a regional Parliament did not seem to be an absolute necessity. The integration process was put on a new track, with the presidents in firm and exclusive control of its orientation.

However, over the years, PARLACEN has taken advantage of its democratic legitimacy to make its voice heard in many important debates concerning regional issues. Its enlargement to include Nicaragua and Panama gave it a larger regional audience, its major limitation being the stubborn refusal of Costa Rica to even think about signing the Treaty.

Finally, in the Caribbean region a Parliament has also been created. It is also in 1987 that the idea was introduced by Barbados' prime minister. The idea was to democratize the integration process and the CARICOM decided to go along with it and signed an agreement in 1990 that entered into force in 1994. The Assembly of Caribbean Community parliamentarian (ACCP) is a deliberative body, whose members are elected or chosen by their assemblies. Its objective is "to involve the people of the Community, through their representatives, in the process of consolidating and strengthening the Community."[16]

The ACCP has not been as active as PARLACEN. Its inaugural meeting was held on May 27–29, 1996 and since then it has only met twice, in 1999 and 2000.

The Parliament of MERCOSUR: Timing, Sequence, and Content of the Reform

The promoters of MERCOSUR, as explained in chapter four, did not want to imitate the European Union, and made the choice of institutional modesty in 1991 and 1994. However, they rapidly realized that institutional modesty had its limits, and during much of the 1990s, the Common Market Council took many political decisions resulting in new institutional arrangements.

At the end of the 1990s, the economic turmoil in Brazil and Argentina triggered a reflection on the MERCOSUR's institutional weaknesses. The 2001 Argentine crisis can be considered as a founding or refounding trauma. In the same way Brazilian and Argentine presidents decided in the mid 1980s to build a collective defense device for democracy, both countries and their partners, started thinking at the beginning of the 2000s of a way to prevent future economic crises. It soon became apparent that this could not be done without a deeper institutionalization of the integration process.

In 2002, Brazilian president Cardoso and his Argentine counterpart Duhalde met several times and expressed their common will to strengthen MERCOSUR. That year, the election of Lula in Brazil's presidential election confirmed a "turn to the left" perceptible in the whole continent. The elections of Nestor Kirchner in Argentina (May 2003) and Tabaré Vázquez in Uruguay (October 2004) further contributed to this surprising move toward the left. For MERCOSUR, these elections, together with the celebration of the Protocol of Ouro Preto's tenth anniversary, opened a window of opportunity for changes. The timing was unique.

Some of the reforms in the framework of Ouro Preto II have been described in chapter four. It is time now to try to understand why the project of a Parliament was included in the package of reforms. The idea of a Parliament was not exactly new in MERCOSUR. Article 24 of the 1991 Treaty of Asunción stipulated that "in order to facilitate progress towards the formation of the common market, a Joint Parliamentary Commission of MERCOSUR shall be established."[17]

During the year 1991, three meetings of parliamentarians from the four countries were held, in May in Asunción (Paraguay), in July in Buenos Aires (Argentina) and in December in Montevideo (Uruguay). During the Buenos Aires meeting, the Joint Parliamentary Commission (CPC) was designed and granted prerogatives more important than the ones the promoters of the Asunción Treaty had in mind. The creation of a Parliament was evoked, as a means to speed up the integration of peoples. In December in Montevideo (Uruguay), the CPC was installed and its rules of procedure were approved. The CPC was composed of 64 parliamentarians, with four national sections of sixteen members each. Article 3 of the rules of procedure mentioned the fact that the CPC would have a "consultative and deliberative character and will formulate declarations, dispositions and recommendations." And among its activities, it was mentioned that the CPC would "facilitate the future installation of the parliament of MERCOSUR."

Interestingly enough, the CPC was in place with its attributes well before the 1994 Protocol of Ouro Preto (POP) that gave the MERCOSUR its definitive institutional setting. But when POP was prepared, the CPC was lowered to a subaltern position. It was not included in the group of organs that had decision capacities and even if POP mentioned that the CPC would make recommendations to the Common market council (CMC), it would only do it through the Common market group (GMC), and no MERCOSUR organ

was entitled to "consult" the CPC. The self-attributed "consultative character" of the CPC actually never materialized.

If during its first plenary session, in May 1992 in Cordoba, Argentina, the president of the Brazilian section, Nestor Proença, underlined the necessity to "improve the institutional model until the creation of a Parliament granted with supranational functions,"[18] the idea of transforming the CPC into a Parliament was about to be buried for several years. It eventually resurfaced in December 1999, during the fourteenth CPC plenary session in Montevideo, Uruguay. Finally, the fifteenth session decided to create a technical specialized group for the institutionalization of the Parliament.[19]

The political changes previously mentioned gave the project a new impetus. The new leftist political leaders were very much committed to strengthening MERCOSUR and that meant for them an improvement of its efficiency and legitimacy. A Parliament appeared to be a perfect device to address both issues. On one side, a Parliament could help address the deficit of norm compliance by involving the political parties, and on the other, it could give the integration process a missing democratic dimension.

In a series of evaluations, an expert explained that the CPC was not adequately complying with POP's Article 25 that stipulated that the CPC's role was to "accelerate the internal procedures of MERCOSUR's norms incorporation." He assessed that the CPC could not play its role because it was not associated with the decision-making process. Hence, he recommended granting the CPC a co-decision power, prior to any creation of a Parliament.[20]

He was partly heard, and the first step taken was the signature of an interinstitutional agreement between the CMC and the CPC on October 6, 2003. This so-called Alonso Amendment stipulated that the CPC would stimulate the participation of national Parliaments into the "conformation of MERCOSUR's legal order," and would constitute a "real and effective laboratory to help design the role of the future Parliament." The CMC committed itself to proceed with consultations on all "topics that require legislative approbation for their incorporation in the legal orders of the member states" (Article 1). In exchange, the CPC was supposed to "encourage, through its national sections, a responsible process of internalization of MERCOSUR's norms" (Article 2).[21]

This agreement soon fell short of what was expected. Old habits dying hard, the CMC kept on ignoring the CPC, and the CPC was in no position to capture the attention of the four member countries'

parliamentarians for whom MERCOSUR's norms had never been a priority in agenda setting. At this point, it became clear that during its ten years of existence, the CPC had never managed to gain much space in MERCOSUR's institutional arrangements, and that no further institutional modifications would make any difference. The CPC had not taken advantage of its capacity to write its own rules of procedure to develop monitoring capacities or contribute to the CMC's accountability. Unlike the Europeans parliamentarians, they did not have the skill to do the job, in part because of the absence of parliamentary traditions in the region, but also because they did not see clearly what was at stake. On December 15, 2003, the CMC approved its new program for the period 2004–2006 and included in it the creation of a Parliament. Then in July 2004, the CPC presented a project of Parliament building that received widespread criticism.[22]

During their July 2004 Summit, MERCOSUR's presidents announced their intention to reform the Protocol of Ouro Preto, and asked the Secretariat's Technical Assistance Sector (SAT) to prepare a study proposal on the conditions of democratic governability.[23] The SAT, with its fierce independence already commented on in chapter four, seized this opportunity to push its own conception of a Parliament, much closer to the European model.[24] In the CPC's project, the Parliament was granted very modest prerogatives and the parliamentarians, sixteen for each country, were not elected by universal suffrage. As a matter of fact, the reform almost limited itself to a change of name.

The SAT, hiding behind the Friedrich Ebert Foundation (FESUR), suggested a much more ambitious reform, with a number of innovations: compulsory information clause (to improve the expertise of the Parliament), participation in the decision-making process, budget appropriation, or obligation for the CMC to be accountable on a yearly basis, right to organize hearings of MERCOSUR's authorities. Much of these rules, as we saw, had been introduced pragmatically by the European parliamentarian over the years.

On December 15–17, 2004, the Summit celebrating the tenth anniversary of the POP could not deliver the much awaited reforms. The political will was not absent, but a series of commercial conflicts during the fall sparked off a climate of mutual recriminations. The Argentine's persistent trade deficit with Brazil was the cause of President Kirchner's very bad mood. And any decisions capable of addressing the problem, like the adoption of a safeguard clause, were carefully avoided, postponing the tough choices for better times.

Regarding the Parliament, Decision CMC/49/04 curiously posited "giving continuity to the creation of the Parliament," and entitled the CPC to elaborate a new Protocol. The deadline for the installation of the Parliament was December 31, 2006.

The road to the final Protocol was still a bumpy one. Some issues were thoroughly debated, like the composition of the Parliament. Due to the huge asymmetries of population inside MERCOSUR, a strict proportional system was difficult to put in place. Nevertheless, Brazil insisted on adopting a softened proportionality where it would have had thirty six seats, Argentina thirty and Paraguay and Uruguay sixteen each.

Interestingly enough, the composition of the Parliament was debated before its prerogatives, and the debate was held on an intergovernmental basis. The members of the CPC did not want to reach a conclusion that supposedly would not have been acceptable for the diplomats. Hence they respected the national cleavages, without imagining that a Parliament could function with a more partisan logic. In any case, Paraguay, with the support of Uruguay, managed to convince the bigger players to adopt equal representation of the member countries, with sixteen seats for each, at least during the preliminary phase. They also managed to impose a consensus-based decision-making process, giving a veto to the smaller countries. Regarding competences, the partisans of a modest deliberative assembly, pushed by the diplomats, clearly won the battle.

At the end, CMC Decision 23/05 (December 8, 2005), called Constituent Protocol of MERCOSUR's Parliament, has included in its Article 4 on competencies several interesting features, like the right to ask for information and the obligation to respond or the hearing of MERCOSUR's Presidency report at the end of each semester. The Parliament also has the right to issue a non-binding opinion on the candidates to occupy important positions such as the director of the Secretariat and the president of the Commission of Permanent Representatives (CRPM). Furthermore, the Parliament will vote on MERCOSUR's budget. The bases are definitively set for the Parliament to fulfill a function of political control over MERCOSUR's authorities. However, it remains to be seen if the parliamentarians will make sound use of them.

As far as the Parliament's contribution to the decision-making process, the Protocol includes the Alonso Amendment and adds a sort of a fast-track procedure (figure 6.1).[25] Any organ entitled to take decisions will have to send their project to the Parliament. Yet, it has no

obligation to take its final decision in conformity with the Parliament's ruling. If it does, the decision will be put on a fast-track toward its entry into force. This fast-track procedure could prove useful, as many norms adopted in the MERCOSUR never reached the final stage of incorporation into the national legal orders (figure 6.1). The parliamentarians from the member countries, especially from Brazil, have never paid much attention to issues related to MERCOSUR or to international agreements in general.

MERCOSUR's Parliament also has the possibility of suggesting pieces of legislation, as any Parliament would do. Nevertheless it has no guarantee that its proposals will be taken into account. Article 4.13 simply stipulates that a parliamentary proposal has to be sent to the Common Market Council (CMC) that will "inform every semester about the way it is processing it." Finally the Parliament has implicit competencies. Article 4.22 grants it with the power to "endeavor any activity corresponding to the exercise of its competencies."[26]

Regarding its composition, the Protocol, that entered into force on February 24, 2007, sets up a three-step procedure. For its first three years (2007–2010), the national Parliaments each designate nine deputies and nine senators, and Venezuela only a combined sixteen.[27] During this preliminary phase, the Parliament adopts its rules of procedure and budget and tries to agree on a proportional representation principle for the future direct elections of its members. As we saw, this issue is complex due to the huge asymmetries in MERCOSUR. Sometimes during this first transitory phase, the member countries have to hold direct elections to designate their regional parliamentarians. Then during a second phase (2011–2014), the Parliament will have a proportional representation of the peoples of MERCOSUR. And after 2015, there will be a "MERCOSUR day" where all the member countries will hold regional elections together.

This complex system has a curious consequence. During the first two phases, there will be no coherent legislature, as the parliamentarian may have different terms. They are all elected for a four year term, but possibly starting at different dates.[28]

For many activists of the integration cause, and many officials involved in the process, this Protocol was a disappointment. They had hoped for the adoption of a genuine European style co-decision procedure. The fact that the European Union provided substantial financial assistance for the creation of the Parliament further convinced many that there was going to be an import of its model. It is probably fair to say that they placed the stakes too high ignoring the fact that the

CPC never managed to consolidate its position and that the member countries, as already pointed out, lack any tradition of parliamentarianism. However, for MERCOSUR, the introduction of a Parliament could embody, and at the same time entail, a change of institutional culture.

On December 15, 2006, MERCOSUR's Parliament was officially inaugurated in Brazil's Senate, as this country was holding the presidency of the group. And then, the first session opened on May 7, 2007, in Montevideo, where the Parliament has its siege. During its third ordinary session, on June 25, 2007, the Parliament received the Paraguayan minister of foreign affairs to listen to his report on his country's presidency, and adopted its first declarations.[29] The first one, proposed by Brazilian parliamentarian Aloizio Mercadente, supported the positions defended by MERCOSUR's negotiators at the WTO Doha round of talks; the second, proposed by Argentine parlamentarian Alfredo Atanasof, supported Argentina's claim that talks with Great Britain over the Falkland Islands issue should resume. A third resolution on freedom of the press was a direct attack against Venezuela and was rejected.

On September 3–4, 2007, during its fifth session, the Parliament received the Uruguay minister of foreign affairs, who came to present his country's priorities as it was assuming the presidency of the block. Among them, he evoked the long-paralyzed negotiation with the European Union, the implementation of the first projects of the new Fund for structural convergence,[30] and the completion of the customs code.

In its seventh ordinary session, on November 19, 2007, the Parliament adopted a very political posture in two interesting declarations. The first one was aimed at supporting the role of Venezuelan president Chávez as mediator to facilitate the release of hostages in Colombia, and the second one was a strong condemnation of the Armenian Genocide of 1915–1923. In its first extraordinary session, on December 18, 2007, the Parliament also made a firm political declaration in favor of the defense of the institutional order in Bolivia. With it, the Parliament was closing a busy first year of existence, with nine ordinary sessions, the creation of eight Commissions,[31] and many important debates.

Some functions of the Parliament seem to be difficult to fulfill though. In April 2008, Geraldo Mesquita, the leader of the Brazilian parliamentary group, resigned in a display of protest against a lack of respect shown by four Brazilian ministers. The Ministers of education, science

and technology, sports and culture never even bothered to answer the parliamentarians' invitation to come and discuss their policies.

Only the future will tell if MERCOSUR's Parliament succeeds where PARLACEN and PARLANDINO have so far failed. To conquer political space, MERCOSUR's Parliament does not go unarmed. The Protocol might not have granted it co-decision prerogatives, yet, it could politically control MERCOSUR's authorities, and it is up to its members to prove they can both propose intelligent pieces of legislation and suggest sound alterations to the ones they are entitled to evaluate.

Much depends, in the final analysis, on the political capacity of the parliamentarians to make use of their prerogatives. As mentioned repeatedly, the absence of parliamentary traditions in the member countries could prove a handicap, although not an insuperable one. Contrary to widespread belief, the absence of parliamentarianism in Latin America does not mean that the Parliaments are necessarily weak. Especially in the Federal systems, and MERCOSUR now has three of them among its five members, the upper houses are very powerful.[32] For different reasons, Argentina and Brazil both have very strong Senates, and typically in both countries, a Senator from a poor province (Argentina) or state (Brazil) is a very influential political figure. In both countries, it has a lot to do with political clientelism, and the way those Senators know how to exchange political support with the channeling of economic resources toward their constituency.

True, this political game is an allocative and redistributive one that has not been transferred so far to MERCOSUR, simply because there were no common redistributive policies. Nevertheless, since 2007, MERCOSUR has adopted two redistributive policies that could bring about some changes.[33] I am not suggesting that a clientelistic game could be initiated at the regional level, but at the very least a redistributive game could raise the stakes and therefore the interest of the parliamentarians, even if the Parliament does not intervene in the decision-making process. It is also likely that this interest will be higher for the parliamentarians who come from regions that feel more concerned with MERCOSUR, like the south and south-east of Brazil and the north of Argentina.

Accordingly, the Parliament of MERCOSUR's future influence will much depend on the origins and the skills of the parliamentarians, especially the ones who are important veto-players in their respective countries.

Do the first "Mercodeputies" have a profile of that sort? In a way, it seems that they do. The vast majority of the parliamentarians come

from Northern Argentine Provinces or Southern Brazilian states (figure 6.2).[34] The Brazilian state of Rio Grande do Sul sent four deputies and two senators. The Argentine provinces of Misiones and Corrientes sent two representatives each. Those are regions that are very much concerned with the MERCOSUR, to a point where they took many spontaneous initiatives to activate regional integration from below.[35]

What the map (figure 6.2) does not show is the political weight of some of MERCOSUR's new parliamentarians. The Argentine delegation, for instance, includes Adolfo Rodriguez Saá, a member of a powerful political family[36] from the province of San Luis. Saá was governor of his province, San Luis, from 1983 to 2001, winning five consecutive elections. During the week December 23–30, 2001, he was appointed transitional president in the midst of dramatic political turmoil following the overthrown of President De la Rua. A deputy in 2003 and then senator in 2005, this powerful Peronist political boss could contribute to strengthen MERCOSUR's Parliament. The Brazilian delegation also includes major league players. Cristovam Buarque, for instance, was governor of the Capital District of Brasilia between 1995 and 1999, where he became famous for designing a redistributive social policy of conditional cash transfer (*bolsa escola*) that would later be implemented by President Lula throughout the whole country. He was also minister of education in Lula's first government until 2004, and in 2006 he was a candidate in the presidential election. Also among the Brazilian members of MERCOSUR's Parliament is Aloisio Mercadante, an important leader of the Workers' Party (PT), several times deputy in the state of Sao Paulo, and a close collaborator of President Lula's.

It remains to be seen if these parliamentarians are indeed attending the sessions, if they will try to be elected, and if they will be keen to offset the potential weaknesses of MERCOSUR's Parliament. It is true that the leaders of MERCOSUR have made the choice of a functionalist logic, putting the emphasis on the norms' implementation deficit. Only the parliamentarians may eventually make the Parliament go beyond the limited fast-track procedure and convert it into a genuine contributor to the decision-making process and hence to the democratization of MERCOSUR.

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CHAPTER SEVEN

Integration from Below

The Parliamentary option does not seem to have silenced the critics of the democratic deficits.

In Europe, the Parliament has progressively gained new prerogatives with every new treaty signed since the 1960s. Nonetheless, the interest of European voters has declined since 1979, as their turnout fell from 63% in 1979 to 45.6% in 2004.[1] Surprisingly, the new member states' citizens seem to be even less interested by European elections than the ones from the core members. The European Parliament has fallen in the same category as the national ones and suffers from the same lack of credibility that undermines any political institution. In Latin America, the regional Parliaments are mocked (PARLANDINO), criticized (PARLACEN), or ignored (PARLASUR). Whatever their fate may be in the future, they will probably not meet the claim for more democracy at the regional level.

Meanwhile, civil society all over the continent has been very active on a transnational basis. Of course, there is nothing really new about this. If the dream of a united Latin America has been alive for so long, it is precisely because the Latin Americans have always been in close contact, with tight societal bonds and having the advantage of sharing the same language (except for Brazil), religion and cultural traditions. The weakness of mutual trade is often considered as an indicator of mutual exclusion, but this is wrong.

What is true, however, is that during certain periods in history, there has been an intensification of interactions between actors in Latin American civil societies. And there is definitely a link that deserves to be further explored between transnational civil society activism and the regional integration processes.[2]

This chapter opens with a brief introductory reflection about the reasons why civil societies interact and the link with regional integration processes. The following sections will distinguish between spontaneous and framed civil society participation in regional integration processes. The chapter closes by questioning the existence of a regional civil society.

Why Do Civil Societies Get Involved in a Regional Integration Process?

Before raising this question, a preliminary clarification is necessary. The reader will recall that I have defined regional integration as a historical process of increased interaction between political units at different levels. It is true that I have mainly been concerned with intergovernmental institutional arrangements in the previous chapters, although mentioning from time to time non-governmental actors. In this chapter, I am interested in nongovernmental initiatives that, one way or another, foster regional formal or informal integration. Therefore I am interested in non-state actors[3] in general, including for instance market forces or business sectors, and not only in civil society.

Going back to the initial question, there is an obvious answer for all the organized interests that are or can be affected by free trade. When a free trade agreement is being negotiated, the national preferences defended are a synthesis of private interests. In some situations, the negotiators know how to make the national interest prevail over private ones, in others they are mere ambassadors of the most powerful lobbies. It is much more complicated for labor organizations or social movements, than it is for the business sector, because they have a lot at stake but their voices are hardly heard, as they are not often invited to the negotiation table.

When an integration process deepens, with new issue areas on the agenda and higher levels of decision-making capacities in the hands of international agencies, a wider range of interests can be affected, forcing a reaction from the groups involved. As a matter of fact, this is how the classical neo-functionalist literature used to explain the cycles of crisis and reactivation of integration.

In short, there can be a reactive, interest-driven, often negative, type of participation.

The question becomes more intriguing when civil society groups' involvement is not interest driven. Two motives can be identified.

On one side there can be a political motive, related to the feeling that the domestic political arena is becoming meaningless. The whole democratic game may appear to some as no longer adequate, since lots of important decisions affecting their way of life are taken in international organizations where they do not have a voice. True, there is room for discussion on that point. People do not just realize one day what globalization is all about and decide to do something about it. They do not notice spontaneously that a threshold has been crossed drastically limiting the sovereignty of their country. Most of the time, they can hardly identify where a decision comes from, let alone relate a policy outcome with a decision-making process.

There is a very interesting literature showing how people are actually mobilized by advocacy coalitions, activists, entrepreneurs or "rooted cosmopolitans" and don't just react spontaneously.[4] Regarding Latin America, it is important to recall that the second wave of regional integration took place during a decade when the movement against globalization was born. Starting in 1995 with the mobilization against the OECD's Multilateral Agreement on Investments (MAI), the Alter-Globalization movement successfully tested the "Dracula method," consisting of putting a secret negotiation under the spotlight in order to kill it. Then they systematically denounced the international organizations' lack of transparency and organized massive protests during all major international meetings of the multilateral agencies such as the World Trade Organization (WTO). As a result, a decade later all major international organizations have opened space for civil society's participation.[5] Again, there is room to cast doubt about the genuine democratizing effects of such openings to civil society's participation. In the 2000s, the issue of participation has been further popularized by the World Social Forums, first organized in the Brazilian southern city of Porto Alegre in 2001. Latin America's regional institutional arrangements, especially the MERCOSUR, could not remain untouched by this debate.

But the 1990s were also the decade of the Washington consensus. A second motive for civil society's involvement regarding regional integration has to do with values. Regional integration processes during the 1990s, as explained in chapter one, were trade-centered, and were seen as complementary strategies to the structural adjustment programs implemented under the scrutiny of the International Monetary Fund (IMF). The World Social Forum's slogan, "Another World is Possible," has inspired many civil society groups all over the world, keen to invent new relationships between societies and countries. Venezuelan

president Chávez has built on this idea, suggesting a new kind of integration between peoples within the framework of his Bolivarian Alternative for the Americas (ALBA).[6]

In any case, interest, politics, or value-driven motives for involvement are all reactive, in the sense that they incite people to try to influence the agenda of integration and frame the issues. But there can also be some proactive involvement, actors can build transnational networks and make regional integration from below advance, in the absence of any "contact" with the integration from above. And they can do it without any intention of giving life to a regional institutionalized project, even if they share common ideas and contribute to building a common representation in a region.

In the next two sections, I will examine some examples of different types of spontaneous civil society participation, and then analyze other types of framed participation.

Spontaneous Participation

As previously mentioned, spontaneous participation can be diversely motivated. I will start by giving an example of Central American organized groups having a direct interest in regional integration.

The reactivation of Central American integration during the second half of the 1980s and beginning of the 1990s has essentially been presented in chapter one as a by-product of collective crisis-solving efforts. To supplement this analysis, it is interesting to point out that a great variety of actors joined this effort of imagining a future for the region: Particularly so in the case of private sector organizations. In a way, the governments were too busy designing political plans to put an end to the Central American crisis to think about regional integration. However, if no political will was perceptible in 1986–1987, there was a "social will" to use José Caballero's distinction.[7]

As early as 1986, in the midst of the regional crisis, the first organization to take an initiative was the Salvadoran Foundation for Economic and Social Development (FUSADES). As Caballero noticed, what FUSADES suggested to the governments was to endorse their export-led project for economic development.[8] According to this private sector organization created in 1983 with the support of the U.S. Agency for International Development (USAID), this strategy called for a reactivation of the Central American Common Market (MCCA). It is remarkable that during the crisis, intraregional exports, after having

fallen to a record low in 1985, started to recuperate during the second half of the eighties well before the crisis came to an end.[9] The Central American private sector managed to keep afloat the regional integration process in the worst conditions and claimed credit for it. Without a doubt, that gave it a legitimacy to voice its concern and make suggestions about the best way to solve the crisis, reactivate the economies, and reinsert them in the global economy.

After FUSADES, other organizations made similar propositions, like the Guatemalan Chamber of Industry for instance. And then different umbrella organizations started to coordinate their positions and build a regional platform. The Central American Federation of Chambers of Industry (FECAICA)[10] managed to be invited to the first presidential summit in 1986, where it had the opportunity to make proposals regarding the reactivation of the MCCA. In 1989–1990, another regional organization, the Federation of Private Entities from Central America and Panama (FEDEPRICAP) went a step further and prepared a project, the Central American Economic Community, that would be discussed during the eighth regional presidential summit (Antigua, June 15–17, 1990). FEDEPRICAP offered a deal to the presidents: They would take responsibility for reactivating the commercial exchanges in the region, if the presidents took a series of incentives, which included deregulation, administrative rationalization, harmonization of tariffs, etc.[11] As Roberto Murray Meza, a Salvadoran entrepreneur, said, "The interesting point about FEDEPRICAP is that it emerges at a time when the entrepreneur understands that the problems of each country are substantially interrelated."[12]

For Central America, this coordination of private sectors organizations was new. During much of the 1960s, CEPAL's inspired project of industrial complementarity had sharpened rivalries between the five countries' chambers of industry, each one keen to secure the monopoly of an industry on its territory. FECAICA was much more in favor of the free-trade centered conception of integration pushed by USAID's Regional Office for Central America and Panama (ROCAP). As explained in chapter two, a crisis situation enables the actors to realize that they have common interests, and incites them to put this common interest above their private ones and start working together to defend it. During much of the 1990s, FEDEPRICAP was very active in promoting liberalization.

Other than the business sector, some social organizations have created umbrella organizations during the first half of the 1990s in Central America, like the Civil Initiative for Central American

Integration (ICIC) in 1994. Also worth mentioning, in 1993 a wide range of organizations gathered to create the Central American Intersectoral Co-ordination Committee (CACI). All together, these two organizations provided a fairly good representation of economic activities in the region, and based on that made a claim for direct participation to the consultative councils that SICA organized, as we shall see later in this chapter (table 7.1).[13] Because Central America is considered by many a "divided Nation,"[14] it comes as no surprise that the civil societies have always been in contact. Nevertheless, during the 1970s and 1980s, the social movements were fighting against the states, in order to secure political changes. During the 1990s, with the end of the crises and the democratizations, civil society actors got enmeshed in the states. In the process, they receive the support of many transnational actors, NGOs, or international cooperation agencies.[15]

There is an amazingly complex web of regional associations in Central America that makes the region very much integrated from below. Some particular historical circumstances have, from time to time, energized or politicized these regional networks, but there is definitively favorable bedrock.

However, it is not the case in MERCOSUR. Argentina and Brazil, in addition to having different languages, have traditionally been rivals or enemies and it is not an exaggeration to say that except for the border regions, they knew very little about each other until the beginning of MERCOSUR. And that's what makes the boosting of civil societies' relationships in the 1990s all the more interesting. I will examine some examples of civil societies' activism later in this section, but to illustrate the spontaneity of some important political actors, I will start with the initiatives taken by states, provinces, and cities in the realm of what is often referred to as para-diplomacy.

Some Brazilian governors were always keen to take international initiatives. The example of Rio Grande do Sul's Governor Leonel Brizola denouncing during the 1960s the potential negative effects of Latin American Free Trade Association (ALALC) has often been mentioned. Later, in 1982, when the authoritarian regime organized free elections in the federated states, the newly elected governors embarked upon diplomatic activities. Leonel Brizola, again, governor of Rio de Janeiro at that moment, was ahead of the curve when he opened an office of foreign relations.

In 1984, six Argentine provinces took the initiative to form a North East and Costal Region Commission for External Trade (CRECENEA Litoral), with the intention of getting in touch with the Brazilians and

fostering mutual trade relationships. On the Brazilian side of the border, three Southern states had formed a Council for the Development and Integration of the South (CODESUL) in 1961, in order to offset the relative asymmetry of development that penalized the South of the country[16] (figure 7.1).[17]

For all these governors, the 1985 Iguazú summit between Brazilian president José Sarney and his Argentine colleague Raúl Alfonsín was important as both presidents showed concern about infrastructure. The inauguration of a bridge between the two countries epitomized the spirit of reconciliation, but also signaled a weakness. The bridge was the first piece of common infrastructure built in decades. Argentine Northern provinces and Brazilian Southern states felt encouraged to secure tighter relationships.

A first meeting was organized in December 1986, between CRECENA and the state of Rio Grande do Sul. Pedro Simon, governor of this Brazilian state, nominated a Secretary of foreign affairs, University professor Ricardo Seitenfus, who became actively involved in the discussions that were held in 1987 and eventually produced a Regional Protocol draft, submitted to President Alfonsín in August 1987. Then on March 18, 1988, a first meeting of governors from CRECENEA and CODESUL was organized that again insisted on the importance of a Regional Protocol.

On November 29, 1988, Argentina and Brazil signed Protocol 23 on border integration. Protocol 23 insisted on the importance of a "balanced and integral border development" and created a working group, with the participation of northern Argentine provinces and southern Brazilian states, and their respective representative organs, CRECENEA Litoral and CODESUL. The working group was assigned a wide agenda, including culture, education, science, tourism, transport, and business. The Protocol also created two Border Committees, in the twin cities of Puerto Iguazú/Foz de Iguazú and Paso de los Libres/Uruguayana, to develop common activities.

For the governors, Protocol 23 raised their expectations, as they anxiously awaited the realization of such important projects as the construction of a pipeline, the constitution of binational factories, the connection of electric systems, etc. However, this Protocol was signed during the politicized initial period of MERCOSUR's gestation described in chapter three. Other important documents were signed during this period, such as the November 28, 1989, Agreement for Economic Complementation, regional and border integration between Argentina and Paraguay. We saw that after the 1990 neoliberal turn

in the region, the common interest for development, or any common policy other than liberalization of trade, decreased sharply. Brazil was also opposed to a subregional type of integration that would have resulted in enhanced autonomy of the states and hence an erosion of Brasilia's monopoly on diplomacy. As a consequence, Protocol 23 was never fully implemented, and the border development issue remained untackled, leaving the actors involved feel very much deceived.

On February 18, 1995, the Argentine and Brazilian governments, again holding a summit in Foz de Iguazú, officially recognized the importance of CRECENEA and CODESUL as actors for the development of border projects, but nothing much happened. On June 30, 1995, CRECENEA and CODESUL decided to go along with border integration on their own. The governors created a permanent Forum of Governors to lobby the presidents and prompt them to address the border problems, and created several Groups for Thematic Integration (tourism, security, health, culture, etc.). The Forum put the emphasis on a "different MERCOSUR" constituted by a transborder population of more than 32 million.[18]

The Forum met on an annual basis, with relatively few achievements. In 1998, the governors could congratulate themselves for the construction of the Santo Tomé Sao Borja bridge, the first concrete binational realization of CRECENEA and CODESUL's efforts to promote infrastructure. For the rest, this subregional integration process has undergone the same institutional evolution as the rest of the regional integration processes in Latin America, with an impressive multiplication of its organs and technical groups. But it never managed to capture the attention of MERCOSUR's leaders or create a common agenda with them.

On March 3, 2008, the Forum of Governors met in Porto Alegre for their tenth summit, after eight years of interruption, the governors confessed that their main challenge was still to find common ground with the presidents.[19] This reactivation had much to do with the formal acknowledgement from MERCOSUR's authorities of the importance of states and cities, as we shall see later on.

The blame for the failure of CRECENEA and CODESUL's subregional integration efforts has to be put on the governments, but also on the governors. Without a doubt, the governments tried to firmly control any "para-diplomatic" initiatives. Yet there was no political homogeneity in the Forum of Governors (table 7.2).[20] On the Brazilian side, during the years 1999–2003, CODESUL gathered two governors from the leftist Workers Party (PT) and two governors from rightist

parties. The situation got better in 2007 with four governors from centrist parties.[21] CRECENEA offered an even more complex panorama. Even if Argentina has a quasi bipartisan system, on some issues, governors from the same party can have different views. In 2006 for instance, Busti fiercely criticized his colleagues Rovira and Colombi for their attitude in the Papelera conflict with Uruguay.[22] Yet, the three of them belonged to the same Peronist party (PJ). In 2007, the four governors from PJ were not all supporters of presidential candidate Cristina Kirchner, while both governors from the opposition party (UCR) rallied behind her.

The second example of political entities building a network and advancing integration spontaneously did not have to face this problem of political discrepancies. Quite the contrary, as it was a mutual political attraction that brought together the cities of Porto Alegre (Brazil) and Montevideo (Uruguay). At a time when the left had difficulties winning national elections, both cities were in the hands of leftist governments. Both cities decided to play the card of international projection, with the idea that international recognition would yield some domestic political benefits. In March 1995, the idea of a network popped up during a meeting of the Ibero-American Capital City Union's South American Section, held in Asunción, Paraguay. In their final declaration, the participants mentioned the idea of an association of MERCOSUR's cities, called Mercociudades. Then in November the same year, a total of twelve cities gathered in Asunción for the first Summit of Mayors, and signed the Foundational Act of Mercociudades.[23] Mercociudades rapidly met with amazing success, as many cities got into the network. A total of 181 cities are currently members in 2008, with a total population of around 80 million.[24] Right from the beginning, the objective of Mercociudades was to have a voice inside MERCOSUR's institutional arrangements. Its first objective mentioned in its Statutes is to "promote the cities' participation in the structure of MERCOSUR, to achieve co-decision in all its areas of competence."[25] Therefore, it can not be said that Mercociudades' aim was to initiate a regional integration process of its own.

However, over the years, it proved very difficult for Mercociudades to reach its goal of being accepted as a formal institution of MERCOSUR. It is quite ironic that the same leftist parties that initiated the project in the mid 1990s were very reluctant to support it once they finally won national elections and gained control over MERCOSUR.

Mercociudades' pressures have yielded a modest result, with the creation by the Common Market Group (GMC) in 2000 of a specialized meeting of local authorities (REMI). Between 2001 and 2004, REMI held seven meetings and then was dissolved. Daniel Chaquetti explained that REMI was a failure, mainly because of its very low hierarchical position in MERCOSUR's institutional arrangement, and because its agenda tended to replicate Mercociudades' one, therefore undermining the interest of the municipalities in attending the meetings.[26]

As with the states and provinces, the blame is to be put on governments, always disinclined to lose their grip on any policy area. Yet, again as with the states and provinces, local politics has its own logic, and at some time election results may have ended up weakening the lobbying power of the network.

Due to its persistent marginalization inside MERCOSUR, Mercociudades worked on its other main objective, namely to build a network in order to exchange information and share experiences of urban governance regarding a wide range of issues such as urban violence, transportation, environment, tourism, and so on.[27] By doing so, it definitely fostered integration from below, with a strong social and cultural content. Many "local politics of integration" initiatives have been taken, such as student mobility, defense of women's citizenship (participation in politics, access to the job market, etc), close collaboration to promote tourism (the Rio de la Plata label for instance), creation of an Association of MERCOSUR integrated border cities (AMFIM), and the like.[28]

What the new leftist MERCOSUR did, in its already commented on move in 2004 to reinvigorate the integration process, was to create a Consultative Forum of Cities, Federated States, Provinces, and Departments (FCCR). The Decision CMC 41/04 taken during the Ouro Preto Summit is quite brief, providing for a consultative role for the FCCR and calling for dialogue and cooperation between MERCOSUR and local authorities. It grants FCCR with the modest faculty to make proposals regarding the coordination of policies designed to upgrade the welfare of people living in the cities, federated states, provinces and departments, which is very distant from Mercociudades' ambition to be part of a co-decision process.

It took more than two years before the FCCR could actually meet for the first time, in Rio de Janeiro, on January 18, 2007. And it took almost another year, before the FCCR adopted its rules of procedure. Conceived as a representative body of local authorities

after the European Regions' Committee model, it ignores both Mercociudades and CRECENEA and CODESUL. Significantly, the FCCR's rules of procedure provide for the creation of two committees, one for the cities (COMUN), and the other for federated states, provinces and departments, that apparently overlay existing organizations. Both CRECENEA and CODESUL and Mercociudades warmly welcomed the initiative of creating a FCCR, underlining the importance of local politics in considering integration, yet it clearly demonstrated that MERCOSUR's authorities do not really want to build upon initiatives "from below." We will return to the way MERCOSUR prefers to offer civil society channels of participation "from above."

However, we shall first examine some examples of other actors that have a direct interest in the regional integration process and were very active trying to take advantage of it.

Consider first the business associations. Any negotiation of a free trade agreement is a window of opportunity for many interest groups to push their demands onto the agenda. Nevertheless, the complexity of the negotiation is such that the end-product is not necessarily a faithful projection of even the most powerful groups' interests. Therefore, the final agreement offers opportunities of gains and losses that may or may not be seized by the actors. Once the "structure of economic opportunities" is in place, much of an economic integration's success depends on the business reaction.

In MERCOSUR's case, the private sector has been overwhelmingly enthusiastic right from the beginning. According to a testimony, "there has been a mental revolution. When this MERCOSUR adventure started, the industrial sectors in the two countries despised the project. It was mainly supported by the politicians. But rapidly things changed. The industrial sectors realized that it worked and started to act. Argentines started to travel to Brazil to look for partners. And Brazilians traveled to look for clients."[29]

During the first year of MERCOSUR's existence, several surveys showed that there was a trend creating numerous binational enterprises, especially between Argentina and Brazil.[30] Others found evidence of the way big companies started to orientate their strategic plans toward the goal of penetrating MERCOSUR's markets before any other market in the world.[31] This was all the more true for multinational companies operating in the region that rapidly adjusted to the opening of a huge market.[32] By many accounts, they were the prime beneficiaries of this development.

Opinion surveys conducted among key economic and political actors confirm this initial enthusiasm. The BID-INTAL work shows that 85% of the Argentines and 93% of the Brazilians had in 1993 a positive opinion of MERCOSUR.[33] Other surveys mentioned by Wolfram Klein[34] back up this result. Guillermo Ondarts found that 43% of a group of 157 prominent Latin American entrepreneurs, 47 of who were from MERCOSUR, found "irrelevant" previous experiences of regional integration, but none of them held that opinion regarding MERCOSUR.[35] Other studies showed that no less than 80% of the private sector in the region had a positive opinion about MERCOSUR.[36]

Not only did entrepreneurs have a good opinion of the integration process, but they also built a regional coalition to defend their interests. At the end of 1991, there were contacts between the Argentine Industrial Union (UIA) and the Brazilian National Confederation of Industries (CNI), soon joined by the Uruguayan Chamber of Industry (CIU) and the Paraguayan Industrial Union (UIP). Together they formed the MERCOSUR Industrial Council (CIM) to lobby the governments. In 1994, CIM claimed that as a representative body it should officially have a seat at the negotiations tables, but MERCOSUR refused. However, as we will see later, they were invited to participate in different working groups.

Compared to the private sector, the labor organizations were much better prepared. As early as 1986, different trade unions created the Coordination of Trade Unions from the Southern Cone (CCSCS), in the midst of the transitions to democracy and the debt crisis. What was an instrument to defend the workers' interests in a very socially devastating "lost decade," organized after 1990 the resistance against neoliberal policies, and made proposals to the integration process's promoters to include social issues on the agenda of negotiation. The CCSCS' lobbying was successful, as MERCOSUR created a working group on labor issues. As for business sectors, we will come back later to the Unions' experience with MERCOSUR's working groups.

To draw an accurate picture of civil society's role in activating regional integration in the MERCOSUR zone, it is interesting to mention some examples of actors who did not have a direct interest in the negotiations. Such is the case in the realm of higher education. As early as 1990, probably influenced by the European experience of the Erasmus Program inaugurated in 1987, the Uruguayan Republic University's rector suggested the creation of a regional association of public universities. The idea received a warm welcome and on

August 9, 1991, eight public Universities embarked upon a project of building a common academic space to advance regional integration.[37] Among the objectives enumerated in the "foundational act" of the so-called Association of Universities Group of Montevideo (AUGM), the first one was the "contribution to the integration processes at a regional or sub-regional level."[38]

The Statutes were approved in 1997 and eventually reformed in 2006. Article 1 of the Statutes mentions that the AUGM's prime objective is to "promote the integration process through the creation of an enlarged common academic space, based on scientific, technologic, educative and cultural cooperation between its members."[39] It is interesting to notice that MERCOSUR is nowhere mentioned in the 1991 Act or in the AUGM's status. The Universities involved clearly intended to launch an integration process of their own. AUGM started to organize meetings and academic exchanges in order to build a "virtual University." The Group subsequently welcomed new members, reaching twenty-one in 2008.[40] In 1993, AUGM launched its first program of visiting professors and in 2000 a student mobility program was introduced. As far as the actors involved are concerned, the Universities are mainly located in the South of Brazil and the North of Argentina, a zone that constitutes the core of MERCOSUR, with a civil society actively involved in regional integration initiatives, like Mercociudades.

AUGM's activities have contributed to calling MERCOSUR authorities' attention to higher education issues. Education was absent from the March 1991 Montevideo Treaty, yet the issue rapidly made its way up the agenda. Decision CMC 7/91 (December 17, 1991) created the Meeting of ministers of education. Then in 1992, a three year plan for MERCOSUR's education sector was adopted (Decisions CMC 7/92), in the following years several important decisions were made in the framework of what was going to be called the "MERCOSUR of education." Three protocols of recognition and validation of diplomas were adopted for primary and medium school (CMC 4/94), higher education (CMC 4/95), and technical training (7/95). Then three other protocols were adopted to facilitate graduate studies in other member countries (CMC 8-9/96) and to allow professors to work in other member countries (CMC 3/97). In 2004, the first MERCOSUR fund would be granted to education (Decision CMC 33/04), as we shall see in chapter eight.

If we move a step further from the official MERCOSUR, the example set by artists deserves a special mention. In 1994 a group of

artists talked about the necessity of having a major artistic event in Latin America, especially for visual arts. The idea of a MERCOSUR Biennial was born out of discussions between artists, Rio Grande do Sul's authorities and a businessman, Jorge Gerdau. Eventually Gerdau would become the first president of the MERCOSUR Biennial Foundation in 1996. The private sector from the southern Brazilian state got very much involved in the project, taking advantage of a state law granting fiscal incentives to support cultural projects especially passed for the occasion. The accent put on the social responsibility of the project was very attractive to them. The same mood would incite some of them to support the organization of the World Social Forum, also in Porto Alegre, in 2001.

As for local authorities, for once in Brazil they put aside their political differences and the PT governed city of Porto Alegre collaborated with the PMDB run state of Rio Grande do Sul. In September 1997, the first Biennial opened its doors. Interestingly, the first curator, Frederico Morais, had no intention of contributing to the development of MERCOSUR or adding a new dimension to the regional integration process. He nevertheless clearly considered that this geographical zone[41] had a cultural and artistic identity that deserved to be exposed and therefore consolidated. In a way, the whole project was designed to counterbalance the older and richer Sao Paulo Biennial that never committed itself to the valorization of Latin American art.

The fact that an artistic movement chose to use MERCOSUR's name as a brand or a label to launch its project says something about the relevance of this integration process in the region at that time. True, due to its geographical position, the city of Porto Alegre and the state of Rio Grande do Sul could consider themselves almost as MERCOSUR's center. But their appropriation of the name epitomizes the way civil society's actors can give a content of their own choice to an ongoing process. And MERCOSUR's Biennial has decisively contributed to bridge-building and mutual understanding between artists, and hence to the social construction of a region.

As with education, culture was no initial preoccupation in MERCOSUR. In March 1995 a first meeting of ministers of culture was organized, the same year MERCOSUR's Biennial's Foundation was created, a protocol of cultural integration was adopted (Decision CMC 11/96). This protocol is very modest in its ambitions though. Considering that "culture constitutes a primordial element of integration processes, and that cultural cooperation engenders new phenomenon and realities," it simply invites the member countries to collaborate

on a wide range of topics, without setting the bases of a common policy. Ten years later, the so-called Cultural MERCOSUR was given permanent headquarters, in a very brief Decision (CMC 11/06) formalizing UNESCO's donation to MERCOSUR of a building in Buenos Aires. Obviously, culture is no priority in the MERCOSUR. The artists are much more efficient on their own.

A final mention can be made of the way some actors used the name MERCOSUR to advance regional projects. Between 1998 and 2001, the South American Confederation of Football (CONMEBOL) organized a new competition between football clubs from Argentina, Brazil, Chile, Paraguay, and Uruguay and called it the MERCOSUR Cup. The rights to show the matches on television were sold at such a high price that the competition soon became very rich, to a point that some Latin American countries less prosperous thought of creating a "MERCONORTE" Cup. Again, it would be foolish to even consider the hypothesis that CONMEBOL's intentions were to contribute to a regional integration process. Yet, the appropriation of the brand or label MERCOSUR is meaningful. Perhaps even more so is its transformation into MERCONORTE to evoke the poor regions of Latin America.

What can be concluded from these examples is that there are two levels of social construction of MERCOSUR. On one side there is a symbolic appropriation of the name, and a different content given to it, that necessarily has an impact on public opinion. For many in the region, MERCOSUR is not just about trade, it is also about arts and football, even if the "real" MERCOSUR ignores both. On the other side, these initiatives are not merely the symbolic appropriation of a name, they have actually contributed to an increase in the level of interaction between actors in different countries, hence they have pushed integration from below even if that was not the initial intention.

We could add some arguments showing that there has been an increased interpenetration of societies, in the vein of the 1970s literature on interdependence. Some works back then were concerned with different types of transaction in the realm of economy (trade, investments), movements of population (migrations, students exchange, tourism), and communication (mail, telegrams, telephone calls).[42] In the MERCOSUR area, the 1990s have witnessed an increase in tourism in the region and in teaching foreign languages (Spanish in Brazil and Portuguese in Argentina or Uruguay). Even though we can consider this type of evolution as an intervenient variable, the definition of

regional integration mentioned in chapter one limits the scope of the study to collective action.

As we have seen, MERCOSUR officials have not been very receptive to spontaneous initiatives of integration. However, they have tried from the beginning to offer some channels of participation to civil society.

Framed Participation

As previously mentioned trade unions got organized on a regional basis at the end of the 1980s and started to push some demands. Social issues were absent from the March 1991 Montevideo Treaty, except for a brief mention in its Preamble as to MERCOSUR's objective of "economic development with social justice" that would often be referred to. However, on May 9, 1991, the four ministers of labor met in Montevideo and issued a declaration insisting on the need to create a working group that would help craft a social charter. And on December 17, 1991, CCSCS's proposals bore their fruits as the GMC decided to create a Working group on "labor affairs" (SGT 11) composed of representatives from governments, unions and employers' organizations.[43] The Unions' participation in the deliberations was formalized. Despite this initial encouraging step, CCSCS consistently criticized MERCOSUR's disregard for the social consequences of free trade.

The regional trade unions, especially the richest Brazilian ones like the Unitary Central of Workers (CUT), started to invest human resources to prepare for regional negotiations in the framework of SGT 11. CUT had more than a dozen of its officials working full time on MERCOSUR issues.

The Trade Unions' strategy consisted in trying to have MERCOSUR adopt a social charter, imitating the European social charter adopted in 1961 and revised in 1996. Their proposal was rejected in 1994 and so was their idea of a civil society forum. Yet they were invited to join the Economic and Social Consultative Forum (FCES) created by the Ouro Preto Protocol in 1994. Other trade unions' proposals got a better reception, entailing the creation of a Labor Market Observatory in 1998.

The experience of SGT 11 has been a disappointing one for the unionist participants involved.[44] SGT 11 had four topics on its agenda, labor cost, formal and informal labor market, migrations and social

policy. Klein is right when he points out that during the first years, the decisions were quite sterile, whether because the negotiators had trouble agreeing on proposals or because the SGT 11's proposals were not taken into consideration by the GMC. He also has a point when he mentions that "even if Cardoso claimed its support for a Social MERCOSUR in 1994, he also insisted that social policy was a domestic policy issue, except for migrant workers. The trade unions were disappointed with the abandonment of social issues in the MERCOSUR."[45] Things got a little better after 1995, when SGT 11 became SGT 10 ("Labor affairs, employment and social security") and the Observatory was created, yet the general complaint was that the discussions in the SGT never got to the core issues of integration. In other words, the trade unions never got the opportunity to voice their concern about the general trade-centered orientation of the regional integration process and were limited to a very narrow scope of discussion.

The experience of the private sector has not been much more satisfactory for the actors, with the appreciable difference that they did not have to fight to have a seat at some negotiating tables. Article 26 of the GMC's rules of procedure provided for the participation of the private sector in the elaboration phase of the decision-making process.[46]

Nevertheless, as we saw, their problem was a lack of organization. CIM only managed to organize meetings on a regular basis starting in 1994. That year, CIM's protests regarding the schedule of phased trade barrier removals were not heard. Nor did the CMC satisfy CIM's request to become an official representative body.

The private sector got involved in working group 7 (SGT 7) on industrial and technological policy. Its participation did not meet with much success, and some organizations like the Federation of Industries from the State of Sao Paulo (FIESP) soon realized that they would be better off sticking to traditional lobbying activities in their own country. Since MERCOSUR was so intergovernmental, it was more rational to influence the shaping of national preferences.[47]

In explaining SGT 11 and SGT 7's disappointing results, the negotiators are also to be blamed as they were not always capable of articulating serious and consistent proposals. But in general, MERCOSUR's authorities did not show evidence of interests in their discussions. Proof of this is the lack of financial resources appropriated for the working groups. In his analysis, Klein found that SGT 11 had to rely on European funds and SGT 7 on the IDB. When these funds were interrupted, the working groups simply had to suspend their meetings. However, he also points out that these working groups have played

two decisive roles. On the one hand, they have allowed the sectors involved to become informed about MERCOSUR. And on the other, they have tightened relationships between them.[48] This double function of learning and socialization cannot be underestimated. Many trade unionists and entrepreneurs are now very much aware of regional integration issues, and beyond MERCOSUR they understand what is at stake in global talks.

Other than the working groups, we saw that the Protocol of Ouro Preto (POP) introduced an Economic and Social Consultative Forum (FCES), as a "body for representing the economic and social sectors." The FCES was granted the liberty to adopt its own rules of procedure and surprisingly it did it following a very intergovernmental line. FCES is composed of thirty-six members, with four national sections of nine members, each one free to choose the sectors it includes in it with four representatives of the labor sector, four of the private sector and one of the third sector (table 7.3).[49] POP also stipulated that the FCES would send recommendations to the GMC in the FCES issued its first recommendations in 1997 and adopted a rather slow pace, with little more than twenty-six recommendations until 2006.[50] FCES's first recommendation, dated April 22, 1997, is emblematic of the external agenda's importance, as it focuses of the projected Free Trade Area of the Americas (FTAA). FCES suggests to collectively defending MERCOSUR's interests, regarding agriculture in particular.

MERCOSUR is not the only regional integration process that tried to provide a framework for civil society's participation. In Central America, during the years 1972–1976 a High Committee for the restructuring and improvement of the common market prepared a project for the Central American Economic and Social Community (CESCA). During four years, based on a comprehensive evaluation done by SIECA,[51] the Committee worked in close collaboration with a wide range of civil society's sectors. The final draft developed a conception of integration that included social and cultural dimensions. However, it was rejected by the presidents in 1976. Then in the aftermath of the crisis, the 1991 Protocol of Tegucigalpa provided in its article 12 that the Central American System of Integration (SICA) would include a Central American Consultative Committee, composed of "private sector, trade unions, educative sectors and other lively forces of the Central American region representatives of social, economic and cultural sectors involved in the regional integration process." Its role was to "advise the General Secretariat regarding the organization of its projects." This rather restrictive mission was immediately criticized

and a total independence granted to the Committee. When it was definitively installed in 1996, its mission became "to formalize the participation of economic and social actors to the decision-making process."

Concerning its composition, two already cited umbrella organizations, CACI and ICIC, tried to gain influence. As a matter of fact, most of their members were included in SICA's Consultative Committee as it appears in table 7.4 compared to table 7.1.[52] And finally, the Andean Community has two consultative bodies, one for the Private sector[53] and the other for labor,[54] both created in 1983.

Conclusion: Are There Regional Civil Societies?

The reactivation of social movements during the 1990s, often on a transnational basis, has led some analysts to claim that a regional, or even a global, civil society was emerging. Without discussing the validity of such a claim on the ground of the absence of a regional state, it is worth noting that a social construction is underway.

More often than not, the analysts heralding the surge of a regional civil society were at the same time integration entrepreneurs and hence their analyses sounded like tentative self-fulfilling prophecies. Take one example. The Caribbean region, following the tradition of the Commonwealth, has always had a very active civil society. CARICOM was the first integration process in the Americas providing an advisory role to civil society organizations, such as the Assembly of the Caribbean Youth, the Caribbean Consumers' Association, the Trade and Industry Caribbean Association, or the Labor Congress.[55] Several important networks were created in the 1980s and 1990s, such as the Caribbean Peoples Development Agency (CARIPEDA), the Caribbean Network for Integrated Rural Development (CNIRD), or the Caribbean Policy Development Center (CPDC). CPDC was officially recognized as a regional consultative organ by CARICOM. CARICOM even adopted a comprehensive Charter of civil society in 1997.[56] Yet, despite this framed activism, some analysts organized the first regional civil society forum, also in 1997, to trigger the surging of a Caribbean civil society.[57]

There are many other umbrella organizations operating at the hemispherical level, like the Latin American Association of Promotion Organizations (ALOP), organizing events to promote the idea of civil society participation in regional integration.[58]

The multiplication of transnational networks, and the fact that more and more groups have interests to defend on a transnational basis, is not questionable.[59] Yet the discourse about a regional civil society ought to be deconstructed to uncover strategies of appropriation of the spaces provided for civil society's participation in the regional integration processes, as in any international organizations. Civil societies are probably better off activating integration from below than they are contributing to some sort of participatory democracy at a regional level. Although I admit this is quite a skeptical conclusion, it derives from the observation that the opening of spaces for participation has often entailed corporatism.

CHAPTER EIGHT

Integration and Common Goods

The parliamentary option and the participation of non-state actors are two palliative treatments for the regional integration processes' democratic deficit that are far from providing a perfect and permanent cure. True, there is no such thing as a yardstick to measure democratic deficit, and therefore it is not easy to evaluate the seriousness of the illness. The bottom line though is that much depends on the actors' perceptions and as two previous chapters demonstrated, they are not satisfied with the level of representative or participatory democracy applied to regional integration in Latin America. This chapter raises a quite provocative question, and explores another way of studying the democratization of regional integration processes.

What if the democratic deficit did not matter? In his theory of democracy, Giovanni Sartori pointed out that "even though scholars are somewhat reluctant to acknowledge it, they are in fact dealing less and less with *who* has power and growing more and more interested in payoffs and allocations, that is, with the *effects* of power decisions: who gets what."[1] He introduced this remark when discussing the decision-making theory of democracy, claiming that decisions in committees could be democratic, even though their members were not elected.

Sartori defined a committee as a group having three characteristics: (1) a small, interacting, face-to-face group; (2) a durable and institutionalized group; and (3) a group confronted with a flow of decisions.[2] For him, large groups are "compelled to employ majoritarian rules and these are, in principle, zero-sum." Conversely, committees take unanimous decisions that are positive-sum, mainly because their operating mode is what Sartori calls "deferred reciprocal compensation." Moreover, each committee is inserted in a committee system, and

interacting with other committees concedes side payments guided by anticipated reactions, as a response to co-ordination and adjustment pressures. Therefore, a "positive-sum outcome benefits all or, better, all as a *generalized aggregate*,"[3] hence his expression *demo-distribution*.

Surprisingly little attention has been paid to *demo-distribution* at a regional level, even though, as we saw, the decision-making process in regional institutional arrangements involves a great number of committees in Sartori's sense. This chapter intends to push further Sartori's line of argument, focusing on the "who gets what" issue, without considering the decision-making process. A democratized regional integration process, in this sense, favors the general interest, producing regional public goods, and is held accountable by the citizenry. Or to put it in Scharpf's terms, "the output perspective emphasizes 'government *for the people*.' Here, political choices are legitimate if and because they effectively promote the common welfare of the constituency in question."[4] Admittedly, this definition cannot easily be operationalized with robust indicators, especially for its perception dimension for which we are lacking surveys. In the following comments, I will use my own field observations, in a quite impressionistic way.

This chapter begins with a brief theoretical discussion on the relationship between regional integration and common goods. Then it evokes the European case, where for a long time it has been admitted that solidarity was a core principle of the integration process. Finally, it examines the Latin American cases, putting a special emphasis on MERCOSUR as the only regional integration process in the continent that has adopted a redistributive policy.

Integration and Regional Goods

For a whole tradition of neoclassical economists, the rationale for signing a free trade agreement is precisely that market integration yields allocation efficiency, growth, and welfare. The freer the trade, the better off the consumer will be. Therefore free trade is a common good. Few economists, however, would consider this assessment as a law and believe in the magic power of Smith's "invisible hand" and few governments would nowadays defend sheer laissez-faire. Not even Adam Smith believed that the "wealth of nations" could be achieved without State intervention. In 1950, Jacob Viner introduced a classical distinction between a trade-creating custom union that is welfare-improving and a trade-diverting one that is welfare-worsening.[5]

Today, most economists acknowledge, sometimes with considerable nuances, that free trade is not necessarily a win-win situation, as the gains are not necessarily distributed in an equitable way. As Mole puts it "the answer to the question whether integration contributes towards more or towards less disparity (catching up) is not easy to answer; there are theoretical arguments that plead for and others that plead against."[6] When there are obvious "losers," being countries, regions, groups, or individuals, they have to be protected somehow, because if not there will be defections and the integration process could regress. To put it in economists' terms, a government intervention is necessary to correct non-optimal situations. In free trade areas, the usual way to protect some endangered economic interests is to provide a safeguard clause. Some agreements, as we saw, have also included in their agenda labor issues, in order to offset the predictable negative social consequences of free trade (job losses as a consequence of outsourcing or salary decreases, etc.). For that purpose, in Europe and in MERCOSUR, cohesion policies have been implemented that will be commented later in this chapter.

Whatever the effects of free trade are, and it is not my intention here to discuss them at great length, the theoretical question that remains to be addressed is whether a depoliticized free market society qualifies as democratic only because it provides public goods. I would argue that it is not the case. Using a moderately normative approach, I would qualify a system as democratic so long as its production of common goods is based on a common will to achieve collective welfare. At the individual level, for a citizen concerned with a democratic deficit but interested in outcomes, the no-matter-who-took-the-decision-as-long-as-it-serves-my-interest argument is not valid unless he can identify an allocative or redistributive mechanism, otherwise any authoritarian or corporatist regime would do. In other words, he will expect positive policy outcomes supplemented by transparency and accountability. And this is all the more true at a collective level where groups, especially the most vulnerable and deprived ones, will hope that a sense of solidarity prevails, yielding allocative and redistributive policies and not just compassion and charity. At the aggregate level, as Sartori would say, a government can take credit for serving the general interest, even though the decision-making process is not very inclusive.

Tentatively adapting this outcome-centered conception of democracy to regional integration processes, the democratization issue can be addressed at three levels, disaggregating the main whether-it-is-democratic-or-not question into three subquestions: (1) Is solidarity a

core value of the integration process? (2) Are there any regional public goods produced? And (3) are there any allocative or redistributive common policies?

The European Project of Cohesion

European integration's history consists of sequential and progressive enlargements of communitarian competences. The scope of common policies is much wider now than it has ever been, and the Union has implemented several redistributive policies.

The European project has, since the beginning been inspired by an ideal of solidarity. True, it has evolved since 1957 in its ambitions, along with its membership (table 8.1).[7] Whereas in 1957, the treaty of Rome focused on the common market, it still put the emphasis on the social utility of trade by mentioning the "standard of living" of its six signatory countries' citizens. Thirty-five years later, with a much wider gap between the richest and the poorest of its twelve member countries, or between regions inside some countries,[8] the 1992 Treaty on the European Union showed more concern for "economic and social progress," "economic and social cohesion," as well as "freedom, security and justice." In 2007, the laboriously adopted Treaty of Lisbon modified the 1992 Maastricht Treaty, insisting in its Article 3 on such objectives as peace, well-being, the promotion of a social market economy, full employment, and social progress, the fight against social exclusion and discrimination, or the promotion of social justice and protection, equality, solidarity and rights. This is an impressive set of social goals, reflecting the preoccupations of the poorer new Eastern and Central European members. In order to reach these goals, the EU implements policies. The first way to evaluate its redistributive capacity is to take a look at its budget.

Trying to evaluate the European commitment to public goods generation is not an easy exercise, though. Even if we leave aside the benefits reaped from the single market and focus on common policies, many collectively agreed-upon objectives are financed directly by the member states or by their regions. According to the principle of subsidiarity[9] the Union only takes action if it proves to be more effective than other national, regional, or local levels of decision-making. It is estimated that community expenditures represent no more that 2.5% of all European public expenditures. Following the line of argument

previously presented, this does not facilitate the citizen's assessment of the Union's added value.

The EU's budget emerged out of a necessity to offset potentially negative effects of market integration. The budget was established in the 1960s at a time when it was anticipated that German industry would be the main beneficiary of market integration. The budget allocated funds to two redistributive policies, the Common Agricultural Policy (CAP), and the social funds in order to benefit the French peasants and the Italian workers. Then the regional and structural policies appeared in the 1970s and 1980s in connection with the EU's enlargements, first to Ireland, Denmark, and the United Kingdom and then to the Southern countries of Spain, Greece, and Portugal.

As a result, two policies have historically monopolized the redistributive efforts. CAP, on the one hand, still represented 44.5% of the EU budget in 2004, whereas structural actions amounted that year to 38.4%. These proportions have been reduced since the reform of CAP, and the so-called Lisbon agenda launched in 2000, with renewed priorities (research and development). However, it remains that in 2005 Agriculture still represented a policy massively funded by the Union. The ratio of the EU's budget to total European public expenditure was 71.8% for agriculture, against 14.3% for aid and development, 6.3% for research and development and 0.1% for education and training. For the period 2007–2013, the new rubric "Natural resources" absorbed 43% of the budget, against 35.6% for "Cohesion for growth and employment," 8.6% for "Competitiveness for growth and employment," 5.7% for "The EU as a global player" and 5.7% for "Administration."[10]

Even if the EU budget represents a mere 1% of the total GNP of all its twenty-seven members, it makes sense to wonder if it favors the general interest.

Regarding CAP, it would be difficult to claim it does. If we take the total number of beneficiaries, it does not exceed 0.01% of the total European population. Moreover, the beneficiaries are located in few countries, with France getting a great chunk of the total, and it has been demonstrated that the subsidies were very unevenly distributed. While small producers receive some modest help, the large agribusiness companies reap most of the subsidies.[11]

As the European Commission claims in every international negotiation when confronting strong critics from developing countries, there is more to CAP than direct subsidies. CAP also helps the European farmers to keep up with high standards for quality products, take care

of the environment, and preserve many *terroirs'* (rural) specific way of life. Although the figures contradict such a claim, as they show that the small farmers producing organic food for instance are marginalized, with regard to common interest this touches an interesting point. There are a series of indirect positive externalities than can be evoked concerning CAP. Food safety, environment, or traditions and culture are public goods. But again, CAP massively favors agribusiness, an economic sector not exactly known to be socially responsible and more concerned with speculation than protecting the environment or preserving traditions. Therefore the contribution of CAP to the outcome-centered democratization of the European Union is dubious.

Structural or regional funds are more interesting, as they were inspired by an ideal of cohesion and solidarity. There are three different funds: the European social fund (ESF) created in 1958 for vulnerable workers, the European Regional Development Fund (ERDF) created in 1975 to reduce the development gap between regions in the Community, and the cohesion fund created in 1994 to help countries fulfill the objective of structural convergence and get ready for the monetary union in the framework set out by the Maastricht treaty. For the period 2000–2006, European regional policy had three objectives: development of lagging regions, support of areas facing structural difficulties, and support for the adaptation and modernization of policies and systems of education, training, and employment.

How successful they have been is a matter of debate. On one side, countries like Ireland, Spain, Greece, and Portugal have caught up in terms of per capita income. Yet cohesion refers also to intraregional distribution of growth, for which the balance sheet is less impressive. Regional inequalities have increased in Spain and Portugal, as they have all over Europe, with or without structural funds. This anti-redistributive bias notwithstanding, the structural funds have without a doubt generated public goods, most notably in infrastructure. Marco Schaub, for instance, advances that "European structural transfers have had a positive impact on cohesion."[12]

In other policy areas, the EU's interventions are neither allocative nor redistributive but more normative, yet they provide important public goods. The field of justice, security, and liberty is a good example, as it responds to an increasing preoccupation among the European population facing transnational security challenges, like terrorist threats or migratory pressures. These normative policies might not develop in the future, as there are limitations to the scope of the

EU's allocative and redistributive policies. Three of these limitations deserve to be mentioned.

First, there are budgetary limits. The EU's budget has remained more or less stable, while the number of new member states has increased significantly. For the period 2000–2006, the budget was limited to 1.24% of the European GDP, when there were fifteen members. For 2006–2013, it was downsized to 1.01%, with twenty-seven members. True, this still represents a gross increase, but a modest one considering the challenge of helping the new, poorer members to catch up. Second, there are political limits. The application of the already cited subsidiarity principle has led the Commission to self-restraint in matters of legislation proposals. This clearly slows down the spill-over process and makes it more complicated for the Union to design new common policies likely to serve the general interest. And third, there are ideological limits. Even though the whole process was guided by political motives and an ultimate goal of peace in the 1950s, for a series of historical reasons the European construction started to become market-centered in the 1960s. It has included, as we saw, a preoccupation for convergence and cohesion, but the social dimension has always been lagging behind. This became very apparent with the 1980s relaunching (single market) and with the preparation for monetary union. The so-called Maastricht convergence criteria only included economic and financial indicators, in a continent that had an unemployed population of more than sixteen million. At the end of the 1990s, there was a short exception to this pattern, with the quasi-simultaneous election of leftist governments in all European countries but Spain, Ireland, Belgium, and Luxembourg. The 1997 Stability and Growth Pact, for instance, included provisions for unemployment reduction and, in 1999, an Employment pact was adopted. However, the political trend soon swung back and the following year, the so-called Lisbon-agenda focused on slow growth and low productivity, no longer directly on social issues.

Of course, there are other more fundamental reasons why the social dimension is left aside that have to do with the core institutional features of the European Union. Scharpf described them very convincingly, pointing out that "the main beneficiary of supranational European law has been negative integration." In other words, "liberalization could be extended, without much political attention, through interventions of the European Commission" while "positive integration depends upon the agreement of national governments in their Council of Ministers."[13]

To conclude, there seems to be a missing link between the positive policy outcomes and the citizens' perceptions that has to do with the institutional characteristics of the EU. As mentioned earlier in this chapter, only when citizens are able to identify the decision-makers can they jump to the conclusion that it does not matter how they make decisions so long as they serve the general interest. What we have in the EU is a decision-making process that generates regional public goods, involving numerous actors at different levels, in the phase of preparation, decision, and implementation.[14] In many instances, European decisions are "directives" that are normative acts leaving the member states the choice of the means to achieve a goal. What the citizen will "see" then, is the implementation of a policy by their government, without knowing that it is complying with a European directive. Furthermore, the governments can typically use a blame-shifting, credit-claiming type of strategy vis-à-vis European directives. The European citizen ends up having a negative image of the European institutional arrangement, and does not see the positive outcomes that could offset the democratic deficit or the decision-making process.

Regional Public Goods in Latin America

Latin America too has been concerned with the unequal distribution of regional integration's positive outcomes. As mentioned in chapter one, distributional rivalries provoked the creation of the Andean Pact in 1969, of the Organization of Eastern Caribbean States (OECS) in 1981 and even triggered a war between Honduras and El Salvador in 1969.

Nevertheless, apart from splitting and creating new institutional arrangements with a higher degree of homogeneity between members, few efforts have been deployed to actually try to reduce development gaps. Building on the isomorphism hypothesis examined in chapter four, it could be argued that this deficit mirrors the historical absence of serious domestic redistributive policies aimed at reducing social inequalities. Latin American regional integration processes have produced norms of general interests, often without the corresponding allocation of funds. It has stuck to negative integration without many intrusions into positive integration.[15]

Nevertheless, there is an awareness of the problem. If we take the two oldest regional groupings, in the Andes and in Central America,

their initial objectives included preoccupations regarding "balanced and harmonious development of the Member Countries under equitable conditions," "sub-regional solidarity," the will "to reduce existing differences in levels of development among the Member Countries," and to promote "enduring improvement in the standard of living," "fair distribution of the benefits," and "economic, social and cultural development thanks to cooperation and solidarity" (table 8.2).[16] After many years, these objectives were not achieved. However, after the 1990s relaunchings, as we saw in chapter five, the scope of the agendas widened and included many new issue areas where public goods could be produced.

In the Andes for instance, we saw in chapter five that CAN had been innovative in environmental and biodiversity protection, with its 2002 Decision 523, "Regional biodiversity strategy." As far as social issues are concerned, in harmony with its external agenda, and in particular its negotiation with the European Union, CAN is placing the topic of social cohesion on the top of its agenda. CAN has adopted an Integral Plan for Social Development (PIDS) in 2004. The plan includes a wide array of initiatives, grouped around seven programs: social and labor, education and culture, health, rural development, food security, environment, and social development in border areas.[17]

The example of health is interesting. The Hipólito Unanue Convention giving birth to the Andean Health Organization (ORAS) was signed in 1971, proof that social preoccupations were present right from the beginning of Andean integration. Since then, it has launched many programs that were boosted during the 1990s. The Hipólito Unanue Convention's historical mission was to promote legislation harmonization in the region, but also to improve the common capacity to address regional challenges such as epidemics. Over the years, ORAS developed five missions, health, epidemiological vigilance and environmental health, medicine policy and health technology, human resources, health promotion and protection.[18] Some of these programs have proved to be very useful. An Andean network of epidemiological vigilance for instance, publishes a weekly report presenting cases or threats of diffusion of such diseases as malaria or dengue fever. The Andean health organization has also been successful negotiating price reduction for HIV-AIDS treatments. For all its missions, ORAS receives international cooperation.

CAN's role in producing regional goods is less recognized by the Andeans, then the European case, but not for the same reasons. Most of the time, ORAS, like CAN's other bodies, plays the role of articulator

and facilitator of international cooperation. The decision-makers can hardly be accountable since they are not easily identifiable. In the Andean region and elsewhere in Latin America and in the developing world, an increasing number of cooperation agencies or multilateral banks are turning to the regional arena and regional public goods. The Inter-American Development Bank (IADB), for instance, has provided support for regional projects since its creation.[19] Even if in some cases the Andean agencies manage to raise and allocate funds, they are seldom identified as decision takers.

What is strikingly interesting about the 2000s is that many new projects of regional public goods are emerging that crosscut existing regional arrangements. I will mention the three most important ones, namely infrastructure, energy, and security. First, in the fields of infrastructure, twelve countries[20] launched in 2000 the Initiative for Integration of Regional Infrastructure in South America (IIRSA), with the support of the IADB and the Andean Development Corporation (CAF). With a chronic deficit of infrastructure, aggravated since the 1980s by underinvestment, market integration has always been bumping into serious limitations. But, as Mauricio Mesquita points out, "the importance of overcoming South America's infrastructure deficit and eliminating its bias toward extraregional trade and road transportation goes beyond maximizing the benefits of integration. It can also play an important role in minimizing the risks that are common to South-South integration. In a group of countries with similar technology and resource endowments, integration can lead to the agglomeration of economic activities and, therefore, to an uneven distribution of benefits. Even though agglomeration can boost efficiency and raise income levels for the region as a whole, a sharp increase in regional disparities can lead to a political backlash, which, in turn, can halt or even reverse the process of integration."[21]

IIRSA consists mainly in financing some 506 projects in transportation, telecommunication, and energy, for a total investment of more than $68 billion in 2008.[22] In a study done in 2007, Ricardo Carciofi found that less than half of IIRSA's projects were binational.[23] IIRSA therefore predominantly helps countries on an individual basis, but nevertheless produces regional goods, as many endeavors contribute to the interconnection of infrastructure systems and have fostered cooperation between countries. Some important projects also consist in creating regional hubs, likely to be helpful for the twelve countries. Seven such hubs are being constructed, one in the Amazon (Paita-Tarapoto-Yurimaguas Road), two between Peru, Brazil, and

Bolivia (bridge over the Acre River and paving roads connecting the Brazilian States of Acre and Rondônia to the southern region of Peru), one to connect the Atlantic and the Pacific oceans across Bolivia (Central Interoceanic hub), and three to improve the traffic flow between the MERCOSUR and Chile. IIRSA does produce regional goods, but these hub projects have a lot to do with trade facilitation, and hence favor private interests in different countries. The case of Bolivia, very much interested in the issue of trade routes toward the Atlantic and Pacific coasts, is emblematic. The Central Interoceanic web seems to have been designed to help Santa Cruz's soy bean producers export via Brazilian ports, and mineral exporters to use the Chilean port of Iquique.

IIRSA is generally considered a success. As Ricardo Carciofi puts it, "IIRSA has succeeded in focusing its agenda of activities on the development of physical infrastructure and advancing it at its own pace, in spite of the changing conditions that characterize the general context of the integration process in the region." He offers two hypothetical explanations for this success: (1) "appropriate identification of topics, which has allowed to garner consensus among the participating countries"; (2) "the fact that the work agenda has been materialized in the form of concrete results that have proven useful to the participants in the initiative as a whole."[24]

The second example refers to energy and offers a very different scenario. True, IIRSA is also concerned with energy provision, but it is the Venezuelan president Hugo Chávez who started to redraw the map of Latin America's energy integration, in the framework of his Bolivarian Alternative for the Americas (ALBA) launched in 2004.[25] And he did it in two ways, one he made it possible for some countries to have payment facilities for the oil they are buying from Venezuela, and two, he offered to collaborate to facilitate energy transportation and supply.[26]

It would be an exaggeration to give Chávez credit for having initiated a process of energy supply and integration in the Continent. In 1980, through the San José Pact, Venezuela and Mexico decided to provide subsidized oil to eleven Caribbean and Central American countries. The agreement has never been suspended since. As for the rest of the continent, between 1996 and 2001, the Southern Cone embarked upon a massive plan of investments in energy integration that allowed countries such as Brazil and Chile to import 6 billion cubic meters of gas in 2003 whereas they did not have any capacity to do so in 1996. The investments then sharply slowed down with the Argentine crisis.

Compared to these initiatives, Hugo Chávez's is much more ambitious though. As he declared the day he signed an agreement with the Dominican Republic,

> Venezuela has under its soil the largest oil reserves in the world and the largest gas reserves in our continent, from the North Pole, from Alaska, to the Land of Fire. We have the largest gas reserves here in the Caribbean region and we want to share them with the North, the South, the East and the West, giving priority to our neighbors, our brother countries. We think that it's not fair that with the huge volumes of gas and oil we have, there are frequent power cuts in the Dominican Republic; the Northern region of Brazil does not have energy for its development; Colombia does not have enough energy for its border towns, or for the South or West of the country; Haiti does not have energy for the power plants that feed hospitals; Grenada and all of these brother countries... This isn't fair. Venezuela has recovered its deepest Bolivarian roots and more than saying it, we want to show it by really joining together and being free.[27]

His Petroamérica program is divided into three subprograms, Petrosur, Petrocaribe, and Petrandino. Especially with the small and poor countries, Chávez has proved to be very generous.[28] During the fifth Petrocaribe summit (Maracaibo, Venezuela, July 13, 2008), and with oil prices over $100 a barrel, Chávez offered to upgrade the financial terms of his offer, allowing the eighteen member states to only pay 40% of their imported oil, differing the payment of the rest over a twenty-five year period with an interest rate of only 1%.[29]

Whatever one may think of the political dimensions or implications of this generous redistributive policy, and of Chávez's soft diplomacy, it is hard to deny that Venezuela is converting its natural endowments into some kind of regional public goods. Of course, this is not exactly true. Chávez is not making access to Venezuela's richness free, and Venezuelan oil is far from being "non-rival and non-excludable" as public goods are. Nonetheless it remains true that his strategy is reshaping the supply-side of the energy integration process.[30] Moreover, Chávez manages to put the integration process on a different track that is, contrary to what many think, much less politicized.[31]

The third example refers to security. Ever since its independence, Latin America has had security concerns and has tried many different formulas to dissipate them. Since World War II and the signing of the

1947 Rio Treaty, the issue has been removed from the hemispherical agenda, as the United States provides for the security of the whole continent. However, the Inter-American Treaty of Mutual Assistance signed in Rio did not eliminate all the problems. First, it did not prevent Latin American countries from raging wars against each other, as in the case of Honduras and El Salvador in 1969, or Peru and Ecuador in 1995. Second, the United States belongs to another military alliance, namely NATO, that eventually can prevail, as in the case of the Falkland War in 1982.[32] Third, and most importantly, the Rio Treaty has not prevented the rise of domestic or transnational security threats. Urban violence, drug trafficking, and guerrilla upheavals have taken their toll and help raise concerns about security on the continent.

Clearly, there is not much that can be collectively done to put an end to petty crime or kidnapping in Latin American capital cities. But again, the 2000s have seen many initiatives to coordinate the repression of drug trafficking and, in 2008, there were talks about a Latin American security council. The Latin American armed forces were keen to collaborate during the 1970s to combat what they called terrorism in the Southern Cone; they are now ready to make efforts to permanently coordinate in order to prevent the possible escalation of conflicts. The 2008 crisis between Colombia and its neighbors, Ecuador and Venezuela, taught everybody a lesson.

Going back to the initial question raised in this section, security is a complex issue. Consider for one second the example of Colombia, the most exposed country in Latin America to such threats. Bogotá, the capital city, has experienced a steady yet substantial decrease in urban violence since 1993. However, most Colombians would credit President Uribe and his "democratic security" policy for this result, or the Plan Colombia, a military package between Colombia and the United States launched in 1999. A much safer Bogota is the product of many policies implemented at different levels, a complex multilevel decision-making process that has the average citizen confused and incapable of ascribing an outcome to a decision-maker who could be accountable for it.

The same goes with the other regional public goods that are not making decisive contributions to offsetting the democratic deficit.

MERCOSUR's Convergence Policy

MERCOSUR's promoters have always been concerned with development asymmetries. After NAFTA, MERCOSUR is probably the

world's second most heterogeneous regional integration process. The 1991 Treaty of Asuncion, with its institutional modesty and economy of words, simply stated in its Article 6 that "The State Parties recognize certain differentials in the rate at which the Republic of Paraguay and the Eastern Republic of Uruguay will make the transition." Annex 1 of the Treaty provided for a more extended phasing of trade restrictions' elimination for the two smaller members. Three years later, the 1994 Protocol of Ouro Preto mentioned in its preamble that the members were "mindful of the need to give special consideration to the less developed countries and regions of MERCOSUR." However, no specific policy was designed to substantiate this consideration. Influenced by the neoliberal mood of the 1990s, the dominant common sense firmly believed that trade liberalization would contribute to every member's welfare and help smaller partners catching-up. No progress was made in that direction during the first fifteen years of MERCOSUR's existence (table 8.3).[33] In fact, quite the contrary happened, Gross Domestic Product (GDP) indicator shows that Argentina and Paraguay caught up a little bit on Brazil, especially during the first half of the 1990s, while Paraguay was losing ground. The decade 1995–2005 then saw a stabilization of the gap. The picture is different in the case of exports, with Paraguay apparently taking full advantage of the temporary protections provided by the trade liberalization program. After the Argentine crisis, the first half of the 2000s saw a boost of Brazil's exports and an increasing gap with its neighbors.[34] All in all then, the panorama of asymmetries is not an encouraging one for Brazil's partners.

The two smallest countries have repeatedly complained over the years that the economic asymmetries were not seriously tackled, and that in its global political orientation, MERCOSUR was overly dominated by the Argentine-Brazilian couple. On many occasions, Uruguay even threatened to leave this bilateral MERCOSUR. A position reportedly not taken very seriously by the other partners, as Montevideo was attempting to become the capital of MERCOSUR. Yet, on January 25, 2007, Uruguay provocatively decided to cross the line and signed a Trade and Investment Framework Agreement (TIFA) with the United States, making sure its MERCOSUR partners understood it was a preliminary step toward the signing of a free trade agreement that could jeopardize the regional integration process.

However if MERCOSUR's left turn has led to some changes, it is precisely in the realm of addressing the asymmetry issue. As we saw, in the wake of the Argentine crisis, MERCOSUR's leaders were willing

to revigorate the integration process, and in this context emerged the idea of creating a European style structural fund. Two important Brazilian political figures were instrumental in shaping and pushing the idea. Marco Aurelio García, President Lula's diplomatic advisor and long time "guru," and Ambassador Samuel Pinheiro Guimarães, were both very sympathetic to Uruguay's frustration. The two had Lula's attention, but had a hard time convincing the Brazilian diplomats, who were firmly opposed to any kind of redistributive device in the framework of MERCOSUR. Moreover, both knew that a redistributive policy at a regional level would be difficult politically to accept in Brazil. This country has huge regional inequalities of its own and its priority has always been to promote development in its backward northern areas. The representatives from this region would probably question the opportunity to deviate resources from their regions in order to channel them toward Paraguay.

The idea of allowing MERCOSUR to cross the threshold of positive integration eventually prevailed. In 2004, Decision 33/04 created a $360,000 Fund for Education (FEM). FEM is MERCOSUR's first allocative policy, aimed at financing educative projects reinforcing the regional integration process. The Fund is constituted by member and associate member states' contributions, with quotas proportional to school enrollment. Interestingly, following up the arguments developed in chapter seven, a group of nine civil society organizations in Argentina suggested the creation of a MERCOSUR Educative Forum. The idea was accepted by the Argentine government, at that time assuming MERCOSUR's Presidency, and the first Forum took place in Buenos Aires on June 10–11, 2004. The objective was to debate about ways to promote equity and inclusion in the region. The Forum was then institutionalized and now constitutes a deliberative arena accompanying MERCOSUR's initiatives in the realm of education.

In the same year the CMC took Decision 19/04 that created a High Level Group on Structural Convergence and Integration Financing (GANCEFI).[35] Its objective was to think of "initiatives and programs" to improve MERCOSUR's competitiveness, targeting the less advanced regions, and securing stable financing in order to strengthen MERCOSUR's institutions.

GANCEFI was composed of the members of the Commission of Permanent Representatives (CRPM), at that time presided over by Argentine ex-president Eduardo Duhalde, including representatives of ministers of economy and foreign affairs and members of the Secretariat. It met for the first time on August 24, 2004, with a loaded

agenda. Several questions had to be addressed simultaneously. One was the MERCOSUR Secretariat's budget. At that time, with a budget of $1 million and 24 agents, MERCOSUR's Secretariat looked emaciated compared to Latin American Integration Association's (ALADI), with $4.5 million and 100 agents, or CAN's, with $7 million and 180 agents. The fact that ALADI's building is located in Montevideo a few blocks away from MERCOSUR's Secretariat facilitated the comparison. During the first meeting, an amount of $10 million was evoked by Argentina to match up with the other organizations. Other than the Secretariat, GANCEFI had also to decide what other organs should be financed. By Decision 17/04, a special $50,000 fund had been created to pay for MERCOSUR's tribunals, but no other institution was granted funds, and we already mentioned in the preceding chapter how financial restrictions severely affected the working groups' meetings. The debate focused mainly on whether to include the Economic-Social Forum (FCES) and the Joint Parliamentary Commission (CPC), the dominant opinion was that it should be so. Next, the question of the overall amount of the fund was examined, and whether this fund should be supported by the member states or by some sort of tax on the common external tariff (CET), and who would manage it.

This first meeting basically served to exchange opinions and circumscribe the agenda. During the second meeting, on October 5, 2004, the Argentines made two proposals. One was that the fund should be of $80 million, and the other that the CET should be increased by half a point to finance it without undermining MERCOSUR's competitiveness. This amount would be discussed later, but the latter idea did not convince the other negotiators and was finally rejected during the third meeting, on October 20, where the principle of government appropriations was adopted. Interestingly, during this third meeting, each member country presented a series of "draft priority structural objectives." Paraguay, supposedly the country that should have been most concerned by structural funds, did not submit precise proposals, but suggested a methodology to select projects. Argentina put the emphasis on economic reconversion of regions affected by industrial decline or elimination of foot-and-mouth disease, Brazil on social infrastructure, food safety, and familial agriculture, and Uruguay on transborder cooperation.

These first proposals are interesting because they show that every country had in mind its own economic problems and thought of using a regional fund to address its social problems. However they all made

efforts to target their most underdeveloped regions and imagine ways of boosting their competitiveness.

It was during the fourth meeting, on November 9, that the countries' respective contributions were discussed. Two proposals were submitted. One from Argentina suggested strictly sticking to each country's proportion of the regional GDP. In which case, Brazil would have to provide 71.6% of the fund, Argentina 25.3%, Uruguay 1.7%, and Paraguay 1.4%. Brazil made a counterproposal of an adjusted proportionality, with Brazil 60%, Argentina 30%, and Uruguay and Paraguay 5% each.

It has been outlined that for Brazil, the whole idea of contributing to a regional fund in order to help the poorest regions catch-up seemed absurd. By any standards, Brazil, by far MERCOSUR's richest country, is also the country with the poorest regions. Hence from a logical point of view, Brazil could end up contributing to a fund that would eventually be used by its own northern regions. Some in Brazil voiced their concerns and made it clear that the country would be better off using the funds for redistributive purpose of its own. During the debates, the issues of regional development were rarely addressed. A logic of intergovernmental bargaining prevailed without much consideration for the general interest.

Brazil's proposal infuriated the smallest countries. Paraguay even announced that it did not have any intention of contributing to the fund, but only helping with the institutions' financing. It then conditioned its participation on the guarantee that it would receive a great chunk of the allocated funds. And Paraguay insisted that along with the repartition of contributions, the member countries should also agree on the way the fund will be distributed among them.

The decision-making procedure has also been the motive of fierce debates. Brazil and Argentina insisted on a the-bigger-the-contribution-the-more-votes principle, contrary to Paraguay's opinion.

Way before GANCEFI concluded its work, the CMC decided (Decision 45/04) on December 12, 2004 to create a Fund for the Structural Convergence of MERCOSUR (FOCEM) and instructed GANCEFI to make a final proposal by May, 2005.

On the basis of GANCEFI's work, on June 19, 2005, the CMC took its Decision 18/05, bringing some precisions to FOCEM's operating mode. Decision 18/05 insisted in its preamble that "in order to ensure the consolidation of the convergence process toward a common market, it is necessary to impulse the integration process,

reinforcing the principle of solidarity." It also put the emphasis on competitiveness. FOCEM will serve to develop four types of programs: (1) Structural convergence; (2) (Competitiveness; (3) Social cohesion and (4) Strengthening of the institutional structure. Decision 18/05 also closed the debates on a number of issues mentioned above. The fund would amount to $100 million per year, with fixed contributions and allocations for each country, with an overall distribution that, it is fair to say, represented a sacrifice for Brazil and a bonus for the smallest countries (figure 8.1).[36] Decision 18/05 left the door open for additional funding, from international donors for example. It also stipulated that the beneficiaries' countries must contribute 15% of the total amount allocated to a specific project. Finally, this decision instructed GANCEFI to conclude its work elaborating the FOCEM's rules of procedure, which it did, and the CMC on December 8, 2005 took Decision 24/05 to enforce it.

Decision 24/05 is interesting because it entitles MERCOSUR's Secretariat to manage the fund, representing a clear victory for Uruguay. This country wanted the Montevideo-based Secretariat to centralize FOCEM's management, as a way to strengthen the Secretariat and further position Montevideo as the capital of MERCOSUR. Argentina, on the contrary, wanted to avoid any excessive bureaucratization of the Secretariat. The final decision created in the Secretariat a special FOCEM technical unit (UTF/SM). However, as tends to happen in MERCOSUR, each step forward, allegedly allowing institutions to cross the line of supranationality, is followed by two steps backward. This tango-style type of decision-making entailed, in the case of FOCEM, the creation of national technical units (UTNF). In each country, the UTNF would be responsible for "internal coordination of aspects related to formulation, presentation, evaluation and implementation of the projects."[37]

The agreed-upon procedure of project selection is quite complex and goes as follows. First, each UTNF presents its projects to the Commission of Permanent Representatives (CRPM). The CRPM checks their eligibility with the help of an ad hoc group of experts, and sends them to the UTF/SM for a technical evaluation. Then the UTF/SM sends back its remarks to the CRPM who write a report that is subsequently sent to the GMC. The GMC has thirty days to write its own report which is then sent to the CMC for a final decision.

This decision-making process has two interesting features. One is the multiplication of filters or veto points. If the objective was to preserve an intergovernmental logic, it is more than achieved. At every

stage, there is potential for intergovernmental bargaining and political control. It remains to be seen how the process is put to work, though. The fact that every country has a fixed share of the pie will probably lower the stakes. The second interesting feature is the conditionality. At every step of the way, the different organs are supposed to evaluate the eligibility of the project, along certain lines. Of particular interest among the conditions of eligibility are the impact on the environment and a social rate of return (*tasa de rentabilidad social*). The idea that the projects FOCEM funds have to be environmental and socially friendly is quite an innovation for MERCOSUR, and for the regional integration processes in the Americas.

Following the rules, the first pilot projects were approved on January 18, 2007 (Decision 08/07). They were mainly Paraguayan and Uruguayan projects for infrastructure or small businesses, agriculture and livestock (table 8.4).

Some other projects were approved later in 2007, like on drinkable water in Paraguayan indigenous communities (CMC Decision 47/07) or road improvements in Paraguay (CMC Decision 48/07).

Since FOCEM was conceived as a redistributive policy to allow the smallest economies to catch up, it does not come as a surprise to see Paraguay presenting projects that are substitutes for its own social policies. Projects in infrastructure such as road improvements are more likely to yield regional positive externalities but in general, Paraguay will in the future probably consider FOCEM like any other source of

Table 8.4 FOCEM's pilot projects

Type of Program	*Country*	*Fund*
Social housing	Paraguay	$ 12 million
Social housing	Paraguay	$ 9,7 million
Road improvement	Paraguay	$ 14,9 million
Small size business	Paraguay	$ 5 million
Food safety	Paraguay	$ 4,8 million
Road improvement	Uruguay	$ 7,9 million
Biotechnology	Uruguay	$ 1,5 million
Border development	Uruguay	$ 1,6 million
Foot-and-mouth disease	Uruguay	$ 16 million
Information system on the Common external tariff	MERCOSUR's Secretariat	$ 50,000
Legal database	MERCOSUR's Secretariat	$ 50,000

Source: CMC Decision 08/07.

international cooperation, without much concern for MERCOSUR's general interest.

It should also be underlined that other than FOCEM, MERCOSUR has been working on the development gap with other tools. In 2006, Decision 34/06 instructed Uruguay and Paraguay to make proposals about the best ways to overcome asymmetries. A year later, CMC Decision 33/07 called the "Strategic plan to overcome asymmetries" created a high-level group (GANASIM) with the mission of designing objectives based on the principles of solidarity, complementarity, and good practices. Among the issues GANASIM have to address are the inland geographical position of Paraguay and ways to open up its economy, the improvement of smaller economies' competitiveness, trade facilitation measures, and institutional strengthening.

It is of course too soon to try to foresee to what extent this strategy will contribute to closing the development gap in MERCOSUR, but it is not a wild bet to imagine it will be a modest progress. The gap between the global giant economy of Brazil and the tiny ones of Uruguay and Paraguay will of course never be closed.

Knowingly, the move toward addressing the issue of asymmetries was a political one, aimed at sympathizing with Uruguay and Paraguay's often bitterly expressed claims. In that sense, FOCEM looks more like a side-payment from Brazil to the smallest partners, without risking a drift away from intergovernmental logic. The way FOCEM is structured does not make MERCOSUR move on toward deeper integration. Since there is a fixed repartition of the funds on a national basis, the main beneficiaries basically have access to a new source of financial assistance.

Yet, the importance of FOCEM should not be underestimated. FOCEM represents the first redistributive policy of the integration process in Latin America. There has been allocation of funds in other integration processes, in Central America, the Andes, or even in MERCOSUR. But FOCEM is redistributing $100 million every year and even if it only represents a very small proportion of the regional GDP (about 0.04%),[38] it is an important precedent. FOCEM is an experiment in positive integration, not just the usual reactive integration as the backdrop to external incentives.

PART 5

The Contentious Politics of Integration

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CHAPTER NINE

Regional Multilevel Governance in the Americas?

As previously mentioned, the 1990s have witnessed an amazing reactivation of regional integration in the Americas. In addition to the relaunching of older processes in Central America and in the Andes, and the initiation of new ones in North America (NAFTA) and the Southern Cone (MERCOSUR), the overall panorama became increasingly complex following the 1994 Summit of the Americas and the subsequent opening of hemispherical negotiations. At that time, conventional wisdom was that all the different existing integration processes would converge. A decade later, the project of a Free Trade Area of the Americas (FTAA) was stalemated, but the Summit of the Americas Process was alive, tentatively addressing a growing number of issues. In parallel, reacting to the frustration caused by the failed FTAA, the United States started to negotiate bilateral Free Trade Agreements (FTAs). Venezuela, on its side, chose to oppose the FTAA, offering the Latin Americans a "Bolivarian Alternative" (ALBAN).

The image of a spaghetti bowl, so often put forward by the economists, seems more relevant than ever. For political scientists, this complex picture raises two series of questions. One consists in examining the type of governance that is being installed. Are there competing jurisdictions? Are there fragmented, overlapping, or crosscutting levels of governance? The other consists in unveiling the symbolic importance of summit diplomacy. What if problem-solving was not the main preoccupation of the presidents when they meet? These two ways of looking at presidential summits are not mutually exclusive.

After an introductory discussion on how the different Schools studying regimes and governance can illuminate the FTAA negotiations, this chapter is composed of four sections. In the first one, I portray the way the Summit process was framed in 1994 by an ideal of convergence and how it rapidly bumped into severe problems. The increasing political polarization of the continent did not however prevent successive summits of the Americas from being held, apparently confirming the hypothesis of ceremonial regionalism proposed by Veronica Montecinos.[1] I discuss this dimension in section two. In the third section, I examine the competing projects in the post FTAA era, and show that they are shaped by the two most active players in the field, the United States and Venezuela. That leads me, in a fourth section, to tackle the issue of hegemony and counterhegemony, before concluding with a classification of the different models of integration.

Integration and Governance

In this section, I show that the notion of governance can help us to better understand the complex web of decision-making processes that are being put in place in the Americas. Before this notion became fashionable in the social sciences, for better or for worse, the concept of the international regime had proven to be useful.

Stephen Krasner's classical and widely cited definition of international regimes as "implicit or explicit principles, norms, rules, and decision-making procedures around which actors' expectations converge in a given area of international relations"[2] is interesting because it helps capturing a wide array of situations, involving different actors. In a way, the definition of regional integration used in this book pursues the same objective. It has been shown that the studies of regimes belonged to three schools, realist, neoliberal, and cognitivist, each one divided into subcategories.[3] The realist and neoliberal approaches share the same rationalist way of analyzing international negotiations between states, the cognitivist one being more concerned with the social construction of national preferences. Hasenclever, Mayer, and Rittberger rightly point out that the neoliberal and realist approaches can be alternatively used, depending on the context, while the cognitivist one (in its weak version) refers generally to a preliminary stage of the negotiation.

If I take a look at the Summits of the Americas process, each of the three approaches allows me to highlight a particular dimension

of the negotiations. The neoliberal one seems to be appropriate in accounting for the States' interest-driven motivations to negotiate a Free trade agreement. The United States for instance changed its agenda of trade policy during the second Reagan administration, with the 1988 Trade and competitiveness act, and turned to regionalism as a substitute for GATT's failure to significantly advance worldwide liberalization. The objective was to allow the big multinationals in the service sector to conquer new markets, hence the insistence on intellectual property being placed on top of the agenda. As far as NAFTA is concerned, the Canadians and Mexicans also had interests at stake. Canada had already locked-in its liberal shift during the Mulroney era, signing a Canada-U.S. Trade Agreement (CUSTA). Mexico looked to NAFTA's negotiations for the same result. Mexican president Salinas was keen to consolidate the liberal reforms being implemented at the end of the 1980s. As for the rest of Latin America, some countries, most notably the bigger ones, were clearly looking for commercial gains when they welcomed the idea of a Free Trade Area of the Americas (FTAA). Of course, this is much less so for the smaller economies, which already had access to such programs as the Caribbean Basin Initiative (CBI), allowing them to export duty-free to the U.S. market.[4] For these poorer countries, the neoliberal approach encounters its limits, as they are more interested in inequalities and development gaps and will ask for compensations, an issue the realists are more familiar with. However, there is one interest all Latin American countries shared. All of them wanted to secure a trade conflict resolution mechanism that would protect them from unilateral U.S. retaliations. This uncertainty reduction point is rightly underlined by Keohane's contractualist approach.

The realist school has valuable tools which help understand the structure of the negotiations. Between 1994 and 1998, a series of problems had to be solved in order to get set for the negotiation. It took four ministerial meetings to find common ground.[5]

One issue was the number of actors involved. The United States wanted every country to negotiate on its own, while the Latin Americans favored a collective negotiation with each custom union talking as one. This latter solution was finally chosen, reducing the number of negotiators from thirty-four to eighteen. The Ministers agreed that "Countries may negotiate and accept the obligations of the FTAA individually or as members of a sub-regional integration group negotiating as a unit."[6] A second issue was the pace and sequence of negotiations. The United States was pushing for a quick opening

of trade facilitation talks, starting with tariff reductions. Brazil on its side preferred postponing the tariff reduction talks until the end of the negotiations, as they involved greater sacrifices on Latin America's part.[7] MERCOSUR's priority was to start with non-tariff obstacles to market access for their agricultural products, where the United States was expected to offer resistance. They all resolved that the negotiations would "begin simultaneously in all issue areas." Finally, the most complex issue was related to the conclusion of the negotiation. The United States defended the option of signing partial agreements, while the Latin Americans, under the leadership of Brazil, favored a package deal. They were obviously afraid that the U.S. negotiators would push to rapidly close a deal on tariffs, and then indefinitely paralyze the talks on non-tariffs barriers. On that point, they agreed that "the initiation, conduct and outcome of the negotiations of the FTAA shall be treated as parts of a single undertaking which will embody the rights and obligations as mutually agreed upon."[8]

During this initial phase (1994–1998), the negotiation was shaped by power politics. Brazil assumed an undisputed leadership for Latin America, while the U.S. negotiators were weakened by the absence of fast track authority. Bargaining theories illuminate every step of this preparatory phase, including the compensations granted to smaller countries. The San José Joint Declaration mentioned that "Special attention should be given to the needs, economic conditions (including transition costs and possible internal dislocations) and opportunities of smaller economies, to ensure their full participation in the FTAA process."[9] However, the negotiation was a complex game, with moving coalitions. Richard Feinberg called it "cascading modular multilateralism," a blend of bilateralism, geography-based plurilateralism and issue-specific coalition building.[10] A final feature that can be explained by neoliberal and realist approaches is clearly the distribution of the Negotiating Groups chairs and vice-chairs, as well as the Chairmanship of the whole FTAA process. The main actors, the United States and MERCOSUR, secured full control of the process right until its conclusion in 2005 (table 9.1).[11]

Neoliberal and realist approaches can be usefully supplemented by the cognitivist one, in order to understand the choices of issue areas, or more broadly the national preferences defended by the different countries. The nine issue areas selected (table 9.1) were almost all of them suggested by the United States, under the pressure of private interests that had managed to have them included in the NAFTA Treaty.[12] There is one exception though. Agriculture was included in the NAFTA

Treaty (Chapter 7) but inserted in its Part II on "Trade in Goods." Brazil succeeded in having it treated separately, defending the interests of its agribusiness sector.

Cognitivism is also an invitation to consider ideas as independent variables. I will get back in the next section to the common perception that the post cold war era would be a time of shared values and interests across the north south divide. Richard Feinberg's testimony is illuminating, when he refers to the "spirit of Airlie House" and explains that "the ascendancy of hemispherism and intellectual convergence around important political and economical values, accompanied by the end of the cold war, had created the right preconditions."[13]

Most of the literature on international regimes is concerned with explaining how a collective action can emerge among a group of countries. The different schools evoked help grasping the conditions and characteristics of the negotiations, including their failure. In comparison, scholarly efforts using the notion of governance are more concerned with the way decisions are taken and the outcomes they deliver. They can also help understand the resilience of a decision-making procedures' network after the failure of the main negotiation. In the case under examination in this chapter, the Summit of the Americas' process did survive the deadlock of the FTAA negotiations.

A pioneer in this field, James Rosenau uses the term governance in a very broad sense, referring to "mechanisms for steering social systems toward their goal."[14] Since he considers such "systems of rule at all levels of human activity—from the family to the international organization,"[15] it can easily be applied to a regional integration process, allowing, taking into account different actors at different levels.

However, a particular type of governance has been described to analyze the complexity of the European Union's decision-making processes: multilevel governance. Gary Marks started using the notion in 1992 to describe a situation where "decision-making competencies are shared by actors at different levels rather than monopolized by state executives," "collective decision-making among states involves a significant loss of control for individual state executives," and "political arenas are interconnected rather than nested."[16]

The model convincingly described four sequential phases of policymaking: policy initiation, decision making, implementation, and adjudication.

In a later work, expanding beyond Europe, Marks and Hooghe define governance as "binding decision making in the public sphere" and make an interesting distinction between two types of multilevel

governance, arising from dispersion of authority. Type I multilevel governance is general-purpose, with every citizen being "located in a Russian Doll set of nested jurisdictions, where there is one and only one relevant jurisdiction at any particular territorial scale." Type II multilevel governance is specialized, and "the number of such jurisdictions is potentially huge, and the scales at which they operate vary finely."[17] The two ideal-types differ along four lines: general-purpose *v.* task-specific; non-intersecting memberships versus intersecting memberships; jurisdictions at a limited number of levels *v.* no limit to the number of jurisdictional levels; and system-wide architecture versus flexible design.

The concept of multilevel governance can be criticized on several grounds.[18] Suffice it to say that many of its users insist on the diffusion of authority in a way that tends to erase all political and hierarchical relationships. The interaction between politics and policies is often neglected and so is the role of entrepreneurs or advocacy coalitions. Worse, regarding international regimes, asymmetries of power are overlooked. In a "bifurcated system"[19] where states coexist with other forms of authority, there can be polycentric policymaking processes at different levels despite the presence of a hegemonic power. This dimension has all too often been forgotten, because most of the scholars studying multilevel governance are focused on the European example. As we shall see in the following sections in this chapter, the Summit of the Americas process has put in place a Type II multilevel governance in the context of U.S. hegemony.

From the Myth of Convergence to the Reality of Divergence

"We cannot recall a time when the opportunities for constructive and sustained cooperation among Western Hemisphere nations have been greater—or when the potential payoffs from such cooperation have been larger. The cold war is over and U.S. policy toward Latin America is no longer shaped and constrained by a preoccupation with security matters. Latin American concerns about U.S. political and economic dominance in the region have subsided, along with fears of unilateral U.S. intervention. Today, across the Americas, we see a convergence of interests and values—focusing on democratic politics, enhanced global competitiveness, and social and economic progress."[20]

Right at the end of the cold war, many observers prophesized a new era of convergence in international relations.[21] U.S. president Bush inaugural address on a gentler world and his Enterprise for the Americas initiative (EIA) received a warm welcome among many Latin American elites. For the first time ever, the whole continent (with the only exception of Cuba) was endorsing democracy and the market as core values and ready to build upon them. Convergence became a "magical word."[22]

Several factors contributed to consolidating the myth of convergence. One is the new methodology of trade-centered integration unanimously adopted by the different processes at the beginning of the 1990s. In MERCOSUR, the Buenos Aires Act (July 6, 1990), signed by recently elected presidents Carlos Menem (Argentina) and Fernando Collor (Brazil), contrasted with previous agreements, most notably the Treaty of integration, cooperation and development (November 29, 1988), as it was much more compatible with the spirit of Bush's EAI presented a few days before (June 27, 1990). Two weeks before the EAI was heralded, President Bush and his Mexican counterpart Salinas announced their intention to negotiate a free trade agreement. MERCOSUR, NAFTA, and the relaunching of older agreements were all inspired by the Washington Consensus.[23] The convergence was also nourished by the evolution of the institutions, as we saw in chapter four, and by the enlargements of some regional integration processes.

The 1994 Summit of the Americas held in Miami embodied this myth of convergence. Essentially because most Latin American leaders thought this exercise of regionalization with the United States would facilitate their access to the U.S. market, help them get set for multilateral negotiations and lock in their own agenda of liberal reforms, they enthusiastically endorsed U.S. proposals. However, the negotiation of a Free Trade Area of the Americas (FTAA) soon proved to be a road paved with many obstacles. The so-called new (investments, services, intellectual property) and brand new (environment, labor) issues of the trade talks entailed many painful adaptations for the Latin American countries. Moreover, the discipline the U.S. wanted to impose upon its partners was superior to the WTO's one (dubbed WTO +). As Nicola Philipps rightly points out, "for the U.S., in contrast with Latin America and Caribbean countries, the FTAA project has been less about trade expansion than about instilling a range of trade disciplines in the region which reflect a set of extra-regional and global interests at least as much as they respond to regional priorities."[24]

Consider the example of government procurements. No Latin American country was party to the WTO Government Procurement Agreement (GPA) signed in 1994, and no regional grouping included provisions on the matter when the FTAA negotiations were opened in 1998. True, MERCOSUR did create an ad hoc group via its resolution 79/97, but no piece of legislation was adopted. By contrast, the agreements that were negotiated following NAFTA's model, like the G3 (México, Venezuela, Colombia), did include regulations.

The efforts of adaptation required were huge, regarding an issue area considered as top priority by the United States. The United States took the presidency of the negotiating group on government procurement (table 9.1), intending to secure fair and non-discriminating conditions of international competition for its big companies. To have an idea of the scope of adaptation required it is necessary to recall that in Latin America since the 1930s, many countries favored domestic suppliers as a way to promote industrial development. This is particularly true for Brazil, where a State-led conception of economic development has been consolidated over the years. On this matter, the gap between the United States and Brazil was huge.[25]

Other issues could be mentioned, such as intellectual property, where this type of contrast soon surfaced. While the United States was anxious to push its standards, Brazil was defending its conception of development. Where the United States wanted to make progress on the "new issues," Brazil was concerned with more classical issues like agriculture or subsidies and antidumping. The divergences became even more apparent when the Trade promotion authority act was voted in 2002 by the U.S. Congress, insisting on such issues as environment, labor, services, investments, intellectual property, or market access, but preventing the U.S. administration from conceding much room on agriculture. In parallel, the election of Lula in Brazil meant a reaffirmation of Brazil's defense of national interests and a stronger determination to avoid the dismantlement of its State's capacities to promote development. The consolidation of a more radical group of leaders (in Venezuela, Bolivia, or later in Ecuador and Nicaragua) further undermined the myth of convergence in the continent.[26]

As a result, the negotiations were paralyzed, and six out of the nine issue areas were removed from the agenda of negotiation and sent back to the WTO.[27] After 2005, by all accounts, the FTAA project was dead. The United States had for some time decided to shift to bilateral agreements where the imposition of NAFTA methodology was much easier.

Ceremonial Regionalism in the Americas?

Despite the myth of convergence's crash landing and the FTAA's deadlock, the summit process survived and even prospered. I want to suggest in this chapter that the way this contradiction can be addressed is twofold. As already mentioned in chapter four, there are both a symbolic and an institutional dimension that have to be evoked.

I will start with the symbolic dimension, leaving the institutions for the next section. Latin America during the 1990s has espoused a global evolution toward summit diplomacy. While during the 1980s, Latin American leaders used to meet to try to solve common problems (debt, Central America, drugs, etc.), developing what could be called a firefighters diplomacy, during the 1990s, their meetings were not issue-centered any longer. The way the Contadora Group was joined by a support group and later became the Rio Group epitomized this transformation.[28] Pragmatic regionalism was replaced by ceremonial regionalism. The main function of the Summits has become twofold. On one side, they embody the unification of the Latin American family and the spirit of brotherhood. The symbolic function of the photo-opportunity ought not be discarded.[29] An example of such a display of harmony has been provided by the Brasilia Summit of May 23, 2008. The official motive was the signing of the South American Union of Nations (UNASUR)'s founding treaty. However, in the midst of regional turmoil following the March 1, 2008, Colombian military incursion in the Ecuadorian territory and the destruction of a FARC guerilla's camp, the photos showing smiling presidents hugging each other were comforting.[30] A few weeks before, the Santo Domingo Summit of the Rio Group was the theater for a spectacular handshake between Colombian president Uribe and Hugo Chávez, symbolizing the Bolivarian spirit of fraternity against all odds.[31]

The second symbolic function of this diplomacy of summits has also already been mentioned in chapter five. The expansion of the summits agenda's scope allows the presidents to send a signal to their constituency, regarding the need in an era of globalization to transfer problem-solving capacities to the regional level. This postulated governability upgrade might not be grounded but it seeks to produce reality effects.

Following that logic, the summits are quite prolific and the topics addressed very diversified. However, interestingly enough, each summit seems to be rather specialized. A study conducted by FLACSO Chile has shown that during the 1990s, the Ibero-American Summits, together with the Rio Group and the Summits of the Americas took a

Table 9.2 Summits' Decisions in the Different Issue Areas, 1990–1999

Issue Areas	*Summits of the Americas*	*Ibero-American Summits*	*Rio Group Summits*
Politics	31%	33%	22%
Social	37%	26%	17%
Economics	17%	12%	29%
International	15%	28%	31%
Others	0%	1%	1%

Source: Author's elaboration using data from FLACSO Chile (http://www.ftaa-alca.org/spcomm/soc/Contributions/BAires/csw153_s.asp/), accessed on June 6, 2008.

total of 1,113 decisions, against only 84 for the Asia-Pacific Economic Caucus (APEC). The three summits were also much more politicized than APEC's ones, which are almost exclusively dedicated to trade-related issues[32] (table 9.2 and figure 9.1).[33]

The Rio Group Summits were mainly concerned with international topics, which is coherent with its history. Born out of the Central American crisis, the Rio Group has never had much more ambition than to become a political forum. By contrast, the Ibero-American summits have political issues on the top of their agendas. The recurrent debates about Cuba and the Spanish's obsession with triggering a democratic transition in the island can help explain this politicization. Finally, the summits of the Americas have placed great importance on social and political issues. The 1994 "Partnership for prosperity and development" has put the emphasis on poverty reduction, inequalities, and promotion of democracy. The FTAA's project has received great attention in the media, yet it never monopolized the agenda of the summits.

Regional Multilevel Governance: Agendas, Institutions, and Outcomes

Most of these summits have created institutions. In this section, I will exclusively focus on the Summit of the Americas process.[34] The preparation of the first Summit of the Americas kept U.S. vice president Al Gore quite busy during the year 1994. The issues he had in mind when traveling to Argentina, Bolivia, and Brazil in March 1994, namely sustainable development and good governance, were not opposed by his hosts, but they pushed other issues such as trade, poverty reduction,

education, and drugs. In a typical diplomatic exercise, Gore progressively added new issues to his initial short list, the total number jumping from fourteen to nineteen. At the end, the Plan of Action adopted in Miami listed twenty-three initiatives and more than a hundred and fifty action items, grouped into four general objectives: "Preserving and strengthening the community of democracies of the Americas," "Promoting prosperity through economic integration and free trade," "Eradicating poverty and discrimination in our hemisphere," and "Guaranteeing sustainable development and conserving our natural environment for future generation."[35]

The strong commitment to address the issues and go beyond ceremonial regionalism is what contributed to raising everyone's expectations. This commitment was embodied in the appendix of the Plan of action, where it specified that "The primary responsibility for implementing this Plan of Action falls to governments, individually and collectively, with participation of all elements of our civil societies."[36] A genuine division of labor was suggested by the presidents: "Existing organizations or institutions are called upon to implement the package of initiatives that has emerged from this Summit of the Americas. In many instances we have proposed that specific issues be examined by meetings of ministers, senior officials, or experts. We are also proposing that some of these initiatives be carried out in partnerships between the public and private sector." The Organization of America States (OAS) was given a "paramount role," while the Inter-American Development Bank (IADB) was asked to "support the activities specified in the Plan of Action," and other organizations such as CEPAL and the Pan-American Health Organization (OPAS) were "called-upon to assist in the implementation of the action items." And finally, a list of "initiatives in which public and private sector partnership play an important role" was included.

This appendix of the Plan of action set the base of a methodology that is very close to type II multilevel governance, as defined previously, with some specificities worth mentioning. The Summit process's governance did not entail the creation of new institutions, except for some high level meetings and conferences. Rather, it got a great diversity of actors involved in the mandates' implementation, prolonging their participation in the Summit's preparation. One of the Miami Summit peculiarities was the involvement of the private sector and some NGOs contrasting with the absence of trade unions.

Richard Feinberg described this governance as a renewed Inter-American system, with three pillars: the traditional system with OAS,

IADB, and CEPAL; ministerial meetings with the involvement of many official agencies; and public—private partnership.[37] However there is a last feature that has to be mentioned. This form of governance is one of variable geometry, each issue being addressed by a specific configuration of actors. In this sense, it does not form a stabilized system, although Korzeniewicz and Smith make a good point when they describe two intertwined tracks, one for the FTAA negotiation and one for the Summit process, with the former characterized by opaque negotiations confiscated by the States and the latter characterized by relative transparency and a collaboration between governments, international agencies and regional civil society networks.[38] This remark notwithstanding, the Summit process meets the criteria defined by Marks, most notably task-specific decision-making and flexible design.

Two years after Miami, the Bolivian summit on sustainable development was characterized by a strong participation by civil society and opposing conceptions of sustainable development. Some countries did not show up, and the United States was represented by its Vice President Al Gore, so regional governance did not progress. The 1998 Santiago summit was modest in its ambitions. First, because as mentioned earlier in this chapter, it took time to get the FTAA's negotiations started and along the road the myth of convergence vanished. Second, because the years 1994–1998 were not marked by social progress, hence the emphasis put on social issues in Santiago. Nevertheless, the different mandates listed lacked precise and quantifiable objectives, except in the realm of education. Regarding governance, the Summit Implementation Review Group (SIRG), created in March 1995, became more active, with the support of OAS, IADB, CEPAL, and OPAS.

The third summit, held in Québec in April 2001, has been the most successful one. The mandates were partially redefined, around eighteen themes,[39] and the European style "Troika"[40] was replaced by a Steering Committee, composed of past, present, and future host countries (United States, Canada, Argentina, and Chile), assisted by an Executive council.[41] Also the SIRG was reformed. Instead of having national coordinators for each issue, it was charged with a follow-up responsibility, with the support of the OAS Office of the summit follow-up. A Secretariat for the Summit process was created composed of the Executive Council, SIRG, and OAS. Finally, this summit was the most transparent one. In an effort to secure accountability of the process, the Canadian government published on the internet the draft of the FTAA agreement.

The process was, by 2001, fully institutionalized and had a rather consensual agenda, yet for a series of reasons mentioned above, the process lost momentum the same year after 9/11. The timing was damaging but not deadly though. Despite the fact that FTAA negotiations were stalemated after 2002, the Summit process kept on going.

During their eighth ministerial meeting (November 20, 2003), the FTAA negotiators tried to keep the project alive, breaking the single undertaking logic by recognizing "the need for flexibility to take into account the needs and sensitivities of all FTAA partners," and recognizing that "countries may assume different levels of commitments."[42] The Monterrey special summit was dedicated to social issues, but without much success.[43] The fourth summit, held in Mar del Plata, Argentina, in 2005, was contaminated by political frictions between Venezuela and Mexico. Presidents Chávez and Fox clashed on the opportunity to relaunch the FTAA negotiations, the former accusing the latter of being a U.S. puppet. For the first time, the presidents and heads of state were not able to reach common ground on the matter, leaving two options in their final declaration.[44]

Interestingly enough, the political oppositions affected the general climate of the Summit process, but did not freeze the daily work of the different actors implementing the mandates. However, more than ten years after its initial impulse, the Summit process' balance is not easy to establish. Multilevel governance with no institution building prevents the emergence of a salient actor playing the role of an entrepreneur. Moreover, the involvement of traditional international organizations like OAS or IADB makes it difficult to isolate the added-value of the Summit process. The reports of the Joint Summit Working Group (JSWG), posted on the Internet, tend to include the missions of OAS, IADB and all the other organizations.[45] They read like a vast and comprehensive synthesis of these organizations' work.

Consider the example of the mandate "strengthening of democratic governance." The main achievements over the years have been very much linked to the OAS' missions: signing of the Inter-American Democratic Charter, elections' monitoring by the OAS Unit for the Promotion of Democracy, signing of a Convention against corruption.[46]

The Summit process is a social construction, making sense out of a wide array of different organizations' missions and claiming credit for the outcomes they deliver. Moreover, it embodies a collective action dynamic, geared at building a consensus and designing a road-map for regional governance of a series of new issues never before addressed at

a regional level, such as corruption, drug trafficking or gender equality. It is also a resource mobilization device, sustaining the momentum for problem-solving at the hemispheric level. And last, it provides the thirty-four members with a voice opportunity, which is far from negligible for the smallest countries, and it allows civil societies to have a say on many topics. However, the Summit process is also characterized by power politics.

Governance, Hegemony, and Counterhegemony

Andrew Hurrell can be followed when he advances that "the Western Hemisphere does represent a fascinating vantage point from which to explore the relationship between hegemonic power and regional institutions and to unpack the complex ways in which logics of regional governance interact with the logic of hegemonic power."[47] Indeed, he quite convincingly shows that the 1990s convergence mentioned above was neither the product of learning nor of imposition, but rather of what he calls "coercitive socialization." This notion allows him to grasp "the ways in which interaction within a highly unequal international system leads to the adoption and incorporation of external ideas, norms and practices." As regards the summit of the Americas process, he sees it as an example of the "power to set agendas, to decide what gets decided and to mobilize bias." Clarkson saw NAFTA with the same lenses. According to him, NAFTA, "far from producing a system of continental governance in which Mexico and Canada would have had some influence, has reconstituted American hegemony in the form of an economic rule book that establishes an unevenly liberalized market and a set of supraconstitutional constraints on the policy-making options of both Canada and Mexico."[48]

However, FTAA's failure has epitomized the incapacity of the United States to secure and consolidate hegemonic stability in the reshaped Inter-American system. The subsequent return to bilateralism has greatly facilitated the imposition of stricter discipline. The FTAs with Chile, Central America and the Dominican Republic, or with Peru, are almost photocopies of NAFTA, but with a stricter WTO+ type of discipline.

The example of Chile is emblematic. As Nicola Phillips points out, "certain concessions were made by the U.S. on market access for agricultural goods [...] but this was not accompanied by any commitments

on the reduction or elimination of subsidies." Moreover,

> the provisions on agricultural market access in the Chile-U.S. agreement were also accompanied by a Trade Remedies chapter which provided for the imposition of temporary safeguards by the U.S. government when increased imports were deemed, *by the U.S. government*, to represent a threat or injury to domestic producers. "Special" safeguards were put in place for a range of textiles and agricultural products and no part of the agreement entailed any sorts of alterations to U.S. laws on trade remedies.

Philipps concludes that "the substance of the U.S.-Chile agreement entailed called forth a number of fundamental changes to Chilean laws and policies and a significant circumscription of Chilean government's policy-making and legal discretion."[49]

Testimonies from private sector representatives confirm this picture of the U.S. imposing the agenda and the discipline during the FTA negotiations. As Mario Pujols, a Dominican business leader who participated in the three rounds of RD-CAFTA talks in January–March 2004 puts it, "the U.S. negotiators were really inflexible and defended until the last minute the interests of their producers."[50] As we saw in chapter five, the FTAs tend to become "external constitutions" for the countries that sign them.

However, the coercive socialization that leads to the adoption of external constitutions often encounters fierce resistance. In Costa Rica for instance, the ratification of CAFTA issue dominated the 2006 presidential campaign and polarized the country. Oscar Arias, who supported the ratification, barely won and then had to have the treaty approved by referendum. The so-called implementation laws were then strongly opposed by leftist sectors and trade unions, voicing concern about the liberalization in particular of the electricity and telecommunication sectors.

The resistance was even more bitter at the regional level. Venezuela took the initiative to oppose the U.S.-sponsored market-centered conception of regional integration, proposing the aforementioned Bolivarian Alternative for the Americas (ALBA). The idea of ALBA was announced by Hugo Chávez during the December 11–12, 2001 meeting of the Association of Caribbean States in the Island of Margarita. Calling for a revival of the Bolivarian dream of unity, he sketched the lines of a project resting on the principles of solidarity, cooperation, complementarities, and reciprocity. The idea was to

herald a new dawn[51] for the historical endeavor of such nineteenth century leaders as Francisco de Miranda, Miguel Hidalgo, Marina Moreno, Simon Bolivar, José Artigas, Bernardo Monteagudo, Cecilio del Valle, or José Marti. In this sense, the ALBA project is an act of heritage appropriation that also includes twentieth century anti-imperialist combatants such as the Nicaraguan Cesar Sandino in the thirties, or the Argentinean students fight for democracy in Cordoba in 1918.[52]

Clearly standing in opposition to neoliberalism, the project is more a declaration of intention than a thorough program, with a strong emphasis put on poverty reduction. The whole idea was to invent a form a regionalism not centered on trade but rather on social issues. From another standpoint, it was also about making Venezuelan oil a factor of integration and not division.[53] It took some time before the initial proposal managed to be converted into concrete steps. On December 14, 2004, Venezuela and Cuba signed a bilateral agreement in the framework of ALBA and a Strategic Plan, agreed upon on April 28, 2005, started to be implemented.

The Agreement includes such issue areas as productive complementarity, exchange of technology, alphabetization, investments, trade compensation, or culture. The agreement also lists a series of mutual offers. Cuba offers trade facilitation, a number of 2000 scholarships for young Venezuelans, the assistance of 15,000 doctors to help Venezuela implement its Barrio Adentro Mission.[54] Venezuela, among other things, offers transfers of technology in the energy sector, trade facilitation, and the financing of energy or infrastructure projects.[55]

Basically what this Plan conceived was Cuba's assisting to Venezuela's social "missions," mostly in health and education, in exchange for payment facilities for the supply of oil. Cuban doctors and teachers would constitute the backbone of a new solidarity between the peoples. The Strategic Plan mentions the number of 100,000 Venezuelans to be operated on in Cuba for vision trouble. On its part, Venezuela would offer to share its reserves of oil with its partners, through a series of separate agreements with different countries.[56] On April 29, 2006, Bolivia decided to join ALBA, and together with Cuba and Venezuela, signed a Trade Agreement for the Peoples (TCP). Again, the agreement is centered on social issues, with Cuba and Venezuela committed to helping Bolivia reduce poverty and educate the poorest sectors of its population. The Plan also includes financial assistance for Bolivian small and medium businesses.[57]

Finally on January 11, 2007, Nicaragua joined ALBA, despite the fact that this country ratified DR-CAFTA, and so did the Caribbean Island of Dominica on January 1, 2008.

ALBA rapidly turned out to be an instrument of coalition building for Chávez, looking for ways to consolidate leadership in Latin America. As such, it failed. Chávez did not manage to rally much support, as even a leftist leader like Rafael Correa in Ecuador did not adhere.

Chávez's intent to lead the reaction against U.S. hegemony in the continent has historical precedents. As Carlos Romero has shown, petro-diplomacy is a tradition in Venezuela.[58] As far as the years 2000 are concerned, Chávez's ambition contrasted with Brazil's new role as a global player and as a moderator in the hemisphere. Brazilian president Lula has always said that confrontations were outdated, and that all American countries should work together to build consensus and focus on problem solving. True, Brazil has defended its own interests and contributed to the FTAA's failure. However, Lula has insisted that pragmatism should be the name of the game and that the defense of national interests should be compatible with regional governance.

Regarding regional integration, Chávez shot his own project of unifying the continent in the back when he decided to abandon CAN and join the MERCOSUR.[59] His move was motivated by a will to punish Colombia and Peru for having negotiated a FTA with the United States, but at the same time he declared that MERCOSUR was too neoliberal and had to be reformed. In a way, he managed to weaken the CAN without much pleasing his new MERCOSUR partners.

However, Chávez did contribute to changing the agenda of integration, enlarging its scope to such issues as energy, finance and security. In a way, the treaty of the South American Union of Nations (UNASUR), signed in Brasilia on May 23, 2008, reflects his influence. UNASUR treaty is not so much centered on trade and symbolizes a move toward other issues.

In the three previous South American summits,[60] different issues had already been included in the agenda, and UNASUR treaty, as mentioned earlier in this chapter, feeds the dynamics of ceremonial regionalism. Yet, UNASUR does not place trade facilitation at the center of its ambitions. Rather, UNASUR aims at building an "integration and union among its peoples in the cultural, social, economic and political fields, prioritizing political dialogue, social policies, education, energy, infrastructure, financing and the environment, among others, with a view to eliminating socio-economic

inequalities, in order to achieve social inclusion and the participation of civil society, to strengthen democracy and reduce asymmetries within the framework of strengthening the sovereignty and independence of the States."[61] UNASUR even includes in its agenda the security issue, but without much precision. This topic spurred controversy, as Venezuela was pushing for a NATO-type military alliance, which was strongly opposed by U.S. allies such as Colombia and Peru. Brazil only envisioned a framework of cooperation and exchange of information.

All in all, UNASUR is a rather pragmatic agreement, "flexible and gradual in its implementation, ensuring that each State honors its commitments according to its realities." It of course remains to be seen if it becomes the backbone of a new integration process, overlapping with the existing ones, such as MERCOSUR and CAN.

Conclusion: Governance and Contentious Integration

Recently, the 2000s have witnessed a contentious politics of regional integration in the Americas, with competing models that have not been able to converge. Using a stylized model, two sets of variables, already mentioned in the previous chapters, allow categorizing the different processes (figure 9.2).[62]

The processes differ regarding, on one side, their level of integration, measured by their degree of institutionalization and the scope of their agenda and, on the other, the types of actors involved and the projects they push forward.

Each category entails a different type of governance. Ideally, we can expect that the most favorable situation as regards governance would be a balanced regional integration process. This process would imply a degree of institutionalization matching the scope of issue areas included in the agenda, and the participation of different types of actors, building a consensus to implement policies generating regional commons (positive integration). That would be a "magic square" (regardless the level between 1 and 4 on figure 9.2). What figure 9.2 tentatively shows is that each regional integration process in the Americas is characterized by an imbalanced type of governance. As mentioned in previous chapters, CAN and SICA are characterized by complex institutionalizations, overloaded agendas, and the modest involvement of civil societies. Moreover, they face many obstacles when actually trying to implement decisions and cross the threshold of positive integration. CARICOM more or less follows the same pattern, yet with a

more participatory civil society. MERCOSUR has a lower level of institutionalization and a more modest agenda, and above all has innovated with regards to positive integration implementing an incipient redistributive policy. NAFTA and other U.S. sponsored FTAs' main differential feature relies on the private public partnership to implement the mandates. Finally, ALBA possesses an allocative dimension but no regional institution to sustain it.

These imbalanced patterns of regional governance do not preclude the possibility of multilevel hemispherical governance for particular issue areas. What they do, however, is highlight some predictable difficulties in trying to make different processes converge, like UNASUR is scheduled to do.

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Conclusion

This conclusion synthesizes the different theoretical lessons that can be drawn from the chapters of this book, and offers a closing comment on the influence of the "left turn" on regional integration.

Part 1 of the book constituted a unique introductory chapter, sketching a series of historical and theoretical guidelines. First, it briefly characterized Latin American attempts at regional integration with two types of oxymoron: consistency despite instability, resilience despite crises. It then made an effort to suggest a definition bridging different theoretical traditions. 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.

I admit that this definition can be criticized, on the ground that it can apply to an excessively wide range of situations, yet it proved useful for this inquiry. This introduction also summed up the history of Latin American integration, emphasizing its instability and the gap between objectives, means, and outcomes. Finally, I selected some theoretical tools considered best suited to account for some features of Latin American integration not sufficiently addressed by the literature: imagined political integration long remaining essentially rhetorical; 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. The discussion has been organized around three basic questions: how and why is a regional integration process launched? How does it evolve? And how can its politics and policies be characterized? The theoretical instruments used draw essentially from historical institutionalism and constructivism, with some references to neo-functionalism. Some variables were highlighted like politicization and external incentives.

The theoretical discussion has supplemented the initial definition and its three corollaries. Concerning the onset of the process, I found that: (1) the increase in the level of interaction does not happen "from scratch." History matters (critical junctures, environment and negotiations); (2) the initial objectives and methods can be diverse, economic as well as political; (3) they rely on a convergence of ideas among a variety of actors; and (4) there can be endogenous as well as external incentives. Concerning the evolution of the integration process, (1) There can be permutations of objectives and crossed instrumentalizations between economy and politics; (2) The process entails politicization and the consideration of common interest in specific historical junctures, but there is no irreversibility; (3) Institution building is crafted by ideas and models; (4) Mismatches between scope and level of integration can fulfill a symbolic function. Finally, as regards the policies and politics of integration, regional integration processes are no exception in the context of a worldwide demand for democracy and accountability in the international organizations. The issue can be raised at two levels: (1) In the different regional arrangements, there are attempts to reform the institutions so that they can be more representative, participative and redistributive/allocative; and (2) At the interregional level (Latin America/United States and Latin America/European Union), a multilevel governance is being build.

Part 2 of the book was concerned with the political instrumentalization of regional economic integration.

Chapter two examined a first instrumentalization, namely the way regional integration processes are associated with crisis-resolution efforts. A brief theoretical discussion has allowed us to make the following theoretical points: (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, but they can be deprived of influence, and the learning effect of past experiences progressively fades away; (5) Subsequent crises resolutions are constrained by path dependency, but they can nonetheless act as new critical junctures, partially erasing the past and engaging regional integration on a new path. The chapter proves the validity of these arguments, studying Central America in the 1950s and 1980s.

Chapter three examined a second instrumentalization, the way a regional integration process can help defending and consolidating democracy. The chapter opened with a theoretical discussion showing that democracy can be a favorable condition for regional integration, but not a sufficient one. It also stressed that, conversely, integration can help consolidate democracy, thanks to constraining institutional arrangements and the shaping of actors' behaviors. The chapter went on to highlight the European example, insisting on four variables: initial juncture, spill over, conditions of eligibility and socialization. The Latin American experiences are studied putting the emphasis first on their politicization, or lack or it, showing that the 1980s marked a turning point. The case of MERCOSUR is studied to show how the new generation of agreements was born out of a preoccupation concerning the fragility of democracy. However, the 1991 Treaty of Asunción, due to the 1990 neoliberal turn in the region, the regional diffusion of democracy and U.S. influence, does not carry any provisions regarding the defense of democracy. The issue resurfaced in 1996 with a coup attempt in Paraguay and since then the MERCOSUR, as well as other agreements, include a democratic clause. The chapter concludes that democratic clauses can act as deterrents because of reputational effects, but they are not adapted to the present day threat of political instability.

Part 3 of the book was dedicated to the study of the design and development of institutions.

In chapter four, I addressed the issue of institution building. Theoretically, regional integration processes, even limited to free trade areas, can entail very different levels of institutionalization. Discussing that point, I suggested pushing further DiMaggio and Powell's theory of institutional isomorphism, as considering the way regional institutional arrangements mirror domestic formal and informal institutions. I then turned to case studies, focusing first on Andean and Caribbean institutional luxuriance and, conversely, on MERCOSUR's institutional

modesty. For a series of reasons, MERCOSUR could not hold to its initial intentions and witnessed an accelerated proliferation of agencies without crossing the line of supranationality. Every process followed the same trend: increasing institutional complexity coexisting with a concentration of power in the hands of the presidents. I explain this convergence with a domestically-inspired mimetism.

In chapter five, I turned to the scope and level of integration and tried to explain a widely recognized mismatch. I started by discussing Schmitter's theory of "crisis-provoked decisional cycles" leading to "encapsulation," suggesting improving it with two incentives, external and symbolic. The example of Central America is examined at length to illustrate this theoretical proposition and validate it, describing external incentives and what I called an umbrella-race leading to an endless expansion of the integration agenda. I then supplemented this study with a quantitative analysis of MERCOSUR and CAN's decisions, showing the diversification of the agenda over the years. Finally, the example of NAFTA is used to examine the scope and level of integration as independent variables, discussing the hypothesis of NAFTA as an external constitution for Mexico and Canada.

Part 4 of the book tackled the issue of democracy in, and democratization of, a regional integration process. I did so from three perspectives: representative, participatory, and redistributive democracy.

Chapter six focused on the parliamentary option, and started examining the logic that led the European Union to change its assembly into an elected parliament, progressively granting it decision-making prerogatives. I then described the different Latin American forums of deliberation and the three regional parliaments (in Central America, the Andes and the Caribbean), examining in more details the reforms that led to the creation of a Parliament in the MERCOSUR. While analyzing the main features of the new Parliament, I speculate regarding the latter's possible future importance in the integration process. The Parliament has not been awarded any decision-making capacity, yet much depends on the way the new "merco-parliamentarians" will make use of the institution, using formal and informal rules. The chapter closes looking at the first members' profiles and concludes that their geographical origin and political weight could mean some commitment.

Chapter seven addressed the issue of democratization "from below." I start by reflecting on the reasons why non-state actors can get involved in transnational activities and distinguish between different types of involvement, whether driven by interests, values, or politics. I then

analyze a series of spontaneous events, essentially in Central America and MERCOSUR. In both regions, many local initiatives for integration have been created by a wide variety of actors. Yet, the official organs tend to ignore them. I also describe framed modes of participation, and conclude on a skeptical note regarding the literature on regional civil society.

In chapter eight I consider a democratized regional integration process as a system favoring the general interest, producing regional public goods, and as being held accountable by the citizenry. A theoretical discussion leads me to apply this outcome-centered conception of democracy at three levels, raising three questions: (1) is solidarity a core value of the integration process? (2) are there any regional public goods produced? And (3) are there any allocative or redistributive common policies? After revising the emblematic but complex case of the European Union, the Latin American cases are scrutinized. Particular attention is given to MERCOSUR's recent redistributive policy. Despite its defaults, MERCOSUR's structural funds definitively represent a step forward in the direction of trying to provide regional goods.

Part 5 of the book made an incursion into the study of regionalism at the hemispherical level.

Chapter nine has tested two different but not mutually exclusive hypotheses about the Summit of the Americas Process: (1) Ceremonial regionalism and (2) Multilevel governance. After a discussion of the different ways of studying how international regimes and governance contribute to a better understanding of the Miami Process, the chapter shows that the summits fulfill a symbolic function, allowing the presidents to send signals to their constituencies about their spirit of solidarity and the relevance of problem-solving at the international level at a time of domestic problems of governability. Hence, the agendas of the summits are quite overloaded. I then turn to the Summit of the Americas process and shows that a new inter-American system is being installed, looking like Marks' Type II Multilevel governance. The chapter concludes that there are competing models of integration and overlapping jurisdictions, and suggests a typology using two sets of variables (scope/level and actors/projects). However, the United States has been successfully imposing a discipline on the continent for a wide variety of issue areas.

The introduction of this book discarded any attempt to speculate about the next steps of Latin American integration process. Yet, the overall swing to the left following the 2005–2006 electoral cycle[1] has

brought about an unusual political situation. Most of the new presidents had promised a reactivation of regional integration during their campaign. Did they deliver? Are we in the presence of a new critical juncture, capable of triggering a third phase in the postwar history of regional integration?

There is wide scope to doubt it. Nowhere more than in MERCOSUR are the limitations of leftist pro-integration rhetoric so obvious. The clash between Argentina and Uruguay over the paper mills epitomizes MERCOSUR's weakness, from an institutional and above all political standpoint. Chapter four mentioned 2004's lost opportunity to make the integration process a decisive move toward deeper integration (Ouro Preto II reform). In MERCOSUR, a previously unsuspected leftist nationalism has proven to be as paralyzing as the 1990s neoliberal focus on trade-centered integration.

As the first decade of the 2000s comes to an end, it is the radical left which is putting the integration process on a new track. Interestingly enough, despite a marked tendency to use the eternal Bolivarian rhetoric of unity and brotherhood, Hugo Chávez has proved to be very pragmatic, using oil diplomacy to reshape the map of integration.

However, as mentioned in chapter nine, the new born Union of South American Nation (UNASUR) that Chávez has contributed to forge, is a strange mixture of a renewed agenda of integration, putting the emphasis on infrastructure, energy, security and social issues, and old habits of over-institutionalization. It remains to be seen if UNASUR can secure a convergence of MERCOSUR and CAN. However, it can be forecasted that without a strong political commitment, UNASUR will become yet another decorative device and will not allow Latin America to close the traditional gap between a "We have to downgrade our level of expectations"[2] type of discourse and the overambitious institutional arrangements. Hopefully this book will have helped the reader understand why this probable new disappointment will not come as a surprise.

NOTES

Acknowledgments and Preface and Acronyms

1. James Rosenau (ed.), *Linkage Politics. Essays on the Convergence of National and International Systems*, New York, Free Press, 1969.
2. Olivier Dabène, *L'Amérique Latine au XXè Siècle*, Paris, Armand Colin, 1994 (in Spanish: *América Latina en el Siglo XX*, Madrid, Síntesis, 2000) and *La Région Amérique Latine. Interdépendance et Changement Politique*, Paris, Presses de Sciences Po, 1997 (in Spanish: *La Región América Latina. Interdependencia y Cambio Político*, Buenos Aires, Corregidor, 2001).
3. Peter Smith, "The Politics of Integration: Concepts and Schemes," in Peter Smith (ed.), *The Challenge of Integration. Europe and the Americas*, London, Transaction, 1993, p. 2.
4. http://www.opalc.org/ (accessed on April 10, 2009).
5. In the whole book, the acronyms are used in their original language as they appear in this list.

One Historical and Theoretical Guideline

1. Gary Wynia, "Review: Central American Integration: The Paradox of Success," *International Organization* 24(2), Spring 1970, p. 319.
2. Wynia, "Review: Central American Integration," p. 325.
3. Leon Linberg and Stuart Scheingold (ed.), *Regional Integration: Theory and Research*, Cambridge, MA, Harvard University press, 1971, p. ix.
4. Andrew Axline, "Latin American Regional Integration: Alternative Perspectives on a Changing Reality," *Latin American Research Review* 16(1), 1981, p. 176.
5. Fritz Scharpf's diagnosis of the European integration's paradox ("frustration without disintegration and resilience without progress") could apply to Latin America, except for two differences: there is indifference rather than frustration and many more crises. See Fritz Scharpf, "The Joint Decision Trap: Lessons from German Federalism and European Integration," *Public Administration* 66, Autumn 1988, p. 239.
6. Andrzej Korbonski, "Theory and Practice of Regional Integration: The Case of Comecon," in *Regional Integration: Theory and Research*, Leon Lindberg and Stuart Scheingold (ed.), Cambridge, MA, Harvard University Press, 1971, p. 342.
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11. Ernst Haas, "International Integration: The European and the Universal Process," *International Organization* 15(3), Summer 1961, pp. 366–367.
12. Karl Deutsch, Sidney A. Burrell, and Robert A. Kann, *Political Community and the North Atlantic Area. International Organization in the Light of Historical Experience*, Princeton University Press, 1957, p. 5.
13. Donald Puchala, "The Pattern of Contemporary Regional Integration," *International Studies Quarterly* 12(1), March 1968, p. 39.
14. Donald Puchala, "Of Blind Men, Elephants and International Integration," *Journal of Common Market Studies* 10(3), March 1972, p. 267.
15. Puchala, "Of Blind Men," p. 277.
16. Bruce Russet, "Transactions, Community, and International Political Integration," *Journal of Common Market Studies* 9(3), March 1971, p. 228.
17. Leon Lindberg, "Political Integration as a Multidimensional Phenomenon Requiring Multivariate Measurement," in *Regional Integration: Theory and Research*, edited by Leon Lindberg and Stuart Scheingold, Cambridge, MA, Harvard University Press, 1971, p. 46.
18. Andrew Hurrell, "Regionalism in Theoretical Perspective," in Louise Fawcett and Andrew Hurrell (eds.), *Regionalism in World Politics. Regional Organization and International Order*, Oxford University Press, 1995, pp. 39–45.
19. Frederik Söderbaum, "Introduction: Theories of New Regionalism," in Frederik Söderbaum and Thimothy Shaw (eds.), *Theories of New Regionalism*, New York, Palgrave Macmillan, 2003, pp. 1–2.
20. Jean Grugel and Wil Hout, "Regions, Regionalism and the South," in Jean Grugel and Wil Hout (eds.), *Regionalism across the North-South Divide. State Strategies and Globalization*, London, Routledge, 1999, p. 4.
21. Björn Hettne, "The New Regionalism Revisited," in Frederik Söderbaum and Thimothy Shaw (eds.), *Theories of New Regionalism*, New York, Palgrave Macmillan, 2003, p. 29.
22. Francesco Duina, *The Social Construction of Free Trade. The European Union, NAFTA, and MERCOSUR*, Princeton University Press, 2006.
23. Benedicte Bull and Morten Bøås, "Multilateral Development Banks as Regionalising Actors: the Asian Development Bank and the Inter-American Development Bank," *New Political Economy* 8(2), July 2003, p. 245.
24. Bull and Bøås, "Multilateral Development Banks," p. 258.
25. Joseph Nye (ed.), *International Regionalism. Readings*, Boston, Little, Brown, 1968, p. vii.
26. Olivier Dabène, *La Région Amérique Latine. Interdépendance et Changement Politique*, Paris, Presses de Sciences Po, 1997.
27. Manuel Lucena Salmoral, "La Estructura Uniforme de Iberoamérica como Región,"in Manuel Lucena Salmoral, Pablo Emilio Pérez-Mallaína, Demetrio Ramos Pérez, Antonio Gutiérrez Escudero, Lucio Mijares, Angel Sanz Tapía and alii (eds.), *Historia de Iberoamérica. Tomo II. Historia Moderna*, Madrid, Ediciones Cátedra, 1990, pp. 323–420.
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30. Olivier Dabène, *L'Amérique Latine à l'Epoque Contemporaine*, Paris, Armand Colin, 2006, p. 27.
31. Mary Ann Glendon, "The Forgotten Crucible: The Latin American Influence on the Universal Human Rights Idea," *Harvard Human Rights Journal* 16, Spring 2003, pp. 27–39.

32. See among others: Vasant Kumar Bawa, *Latin American Integration*, Atlantic Highlands, NJ, Humanities Press, 1980; Hernán Santa Cruz, "La Creación de las Naciones Unidas y de la CEPAL," *Revista de la CEPAL* 57, December 1995, pp. 17–32; Albert Hirschman, "Ideologies of Economic Development," in *Latin American Issues*, New York, Twentieth Century Fund, 1961.
33. Raúl Prebisch, "El Desarrollo Económico de la América Latina y Algunos de sus Principales Problemas," *Estudio Económico de la América Latina 1948*, 1949; Hans Singer, "The Distribution of Gains between Investing and Borrowing Countries," *American Economic Review* 40(2), May 1950.
34. CEPAL, *Estudio Económico de América Latina 1949*, 1950.
35. See, for instance, CEPAL "Significación del Mercado Común en el Desarrollo Económico de América Latina," in *El Mercado Común Latinoamericano*, 1959.
36. Harold Molineu, *U.S. Policy toward Latin America. From Regionalism to Globalism*, Boulder, CO, Westview Press, 1986, pp. 73–74.
37. Argentina, Brazil, Mexico, Chile, Paraguay, Peru, Uruguay. Colombia and Ecuador joined later in 1960, and Venezuela and Bolivia in 1966 and 1967.
38. CARIFTA itself replaced the West Indian Federation, a group of ten islands united under British rule between 1958 and 1962.
39. Patsy Lewis, *Surviving Small Size. Regional Integration in Caribbean Ministates*, Kingston, University of West Indies Press, 2002.
40. Gert Rosenthal, "Un Informe Crítico a 30 años de Integración en América Latina," *Nueva Sociedad* 113, May–June 1991, pp. 60–65.
41. CEPAL, *Exposición del Secretario Ejecutivo de la CEPAL en el Decimotercer Periodo de Sesiones,* April 21, 1969.
42. Gabriel Valdes, "Review: The Americas in a Changing World as a Response to the Consensus of Viña de Mar," *Journal of Interamerican Studies and World Affairs* 17(2), May 1975, p. 210.
43. Rosenthal, "Un Informe Crítico a 30 años," p. 64.
44. *Panama Convention Establishing the Latin American Economic System (SELA)*, October 17, 1975.
45. See Miguel Wioncczek and Ramón Mayorga Quirós, *Intentos de Integración en el Marco de la Crisis Latinoamericana*, México, El Colegio de México, 1981.
46. Olivier Dabène, "La Dimensión Política de los Procesos de Integración Latinoamericana," in Georges Couffignal and Germán de la Reza (eds.), *Los Procesos de Integración en América Latina. Enfoques y Perspectivas*, Stockholm, ILAS, 1996.
47. CEPAL, *Open Regionalism in Latin America and the Caribbean. Economic Integration as a Contribution to Changing Productions Pattern with Social Equity*, September 1994.
48. Table 1.4 is available online at: http://us.macmillan.com/author/olivierdabene/.
49. CEPAL (http://www.eclac.cl/comercio/IS/default.asp, accessed on July 27, 2008). See figure 2.1.
50. Table 1.5 is available online at: http://us.macmillan.com/author/olivierdabene/.
51. In a 1967 piece, Joseph Nye described it as follows: "Whether caused by the 'instant friendship' of ill-prepared summit meetings, the search for panaceas, or the deliberate effort to divert attention from internal problems, the most prevalent form of regionalism in less developed areas is an ephemeral expression of the supra-state sense of community without any significant restructuring of interests. This might be called 'token integration' at the international level." (Joseph Nye, "Central American Regional Integration," p. 377 in Joseph Nye [ed.], *International Regionalism*, Boston, Little, Brown and Company, 1968, pp. 377–429).
52. Of particular interest: Finn Laursen (ed.), *Comparative Regional Integration. Theoretical Perspectives*, Aldershot, UK, Ashgate, 2003; Frederik Söderbaum and Timothy Shaw (eds.), *Theories of New Regionalism. A Palgrave Reader*, New York, Palgrave Macmillan, 2003.

53. Puchala, "Of Blind Men," p. 277.
54. Dimitris Chryssochoou, "New Challenges to the Study of European Integration: Implications for Theory-Building," *Journal of Common Market Studies* 35(4), December 1997, p. 17.
55. Ernst Haas and Philippe Schmitter, "Economics and Differential Patterns of Political Integration: Projections about Unity in Latin America," *International Organization* 18(4), Autumn 1964, p. 737.
56. Deutsch et al., *Political Community and the North Atlantic Area*, p. 44.
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58. Benedict Anderson, *Imagined Communities. Reflections on the Origin and Spread of Nationalism* (Chapter 4, "Creole Pioneers"), London, Verso, 2006, pp. 47–65.
59. Anderson, *Imagined Communities,* p. 6.
60. Luis Tejada Ripalda, "El Americanismo. Consideraciones sobre el Nacionalismo Latinoamericano," *Investigaciones Sociales* 8(12), p. 171.
61. José Caballero, *Problematising Regional Integration in Latin America: Regional Identity and the Enmeshed State. The Case of Central America*, UNU-CRIS Working Papers, W-2007/02, p. 14.
62. Luis Tejada Ripalda, "El Americanismo. Consideraciones sobre el Nacionalismo Latinoamericano," p. 181.
63. Paul Pierson, *Politics in Time. History, Institutions and Social Analysis*, Princeton University Press, 2004.
64. Paul Pierson, "The Path to European Integration. A Historical Institutionalist Analysis," *Comparative Political Studies* 29(2), April 1996, p. 126.
65. Joseph Nye, "Patterns and Catalysts in Regional Integration," *International Organization* 19(4), Autumn 1965, p. 882.
66. Nye, "Patterns and Catalysts," p. 883.
67. Pierson, *Politics in Time*, p. 45.
68. See, for instance, Deutsch noticing that in Europe "men will have to work toward the building of a larger security-community without the benefit of any clear-cut automatic trend toward internationalism to help them" in *Political Community and the North Atlantic Area*, p. 24.
69. James Rosenau (ed.), *Linkage Politics. Essays on the Convergence of National and International Systems*, New York, Free Press, 1969. Of particular interest is what Rosenau calls "fused linkages," a situation where "certain outputs and inputs continuously reinforce each other and are thus best viewed as forming a reciprocal relationship" (p. 49).
70. Peter Evans, Harold Jacobson, and Robert Putnam (eds.), *Double-Edged Diplomacy: International Bargaining and Domestic Politics*, Berkeley, University of California Press, 1993.
71. Robert Keohane and Helen Milner (eds.), *Internationalization and Domestic Politics*, Cambridge University Press, 1996.
72. Andrew Moravcsik, "Theorizing European Integration," *The Choice for Europe. Social Purpose and State Power from Messina to Maastricht*, Ithaca, NY, Cornell university press, 1998 (Chapter 1).
73. Just one example: on September 18, 2007, Deputy Secretary of State John Negroponte declared that "Failing to pass the FTAs with Peru, Panama and especially Colombia would be a win for Hugo Chávez and a defeat for the forces of democracy in the hemisphere" (http://www.state.gov/s/d/2007/92433.htm, accessed on April 30, 2008).
74. Duina, *The Social Construction of Free Trade*.
75. Jean Coussy, "International Political Economy," in Marie-Claude Smouts (ed.), *The New International Relations. Theory and Practice*," London, Hurst, 2001, pp. 140–154.
76. Puchala, "Pattern of Contemporary Regional Integration," p. 41.
77. That is prior to the 1965 crisis leading to the compromise of Luxembourg (January 30, 1966).

78. Haas and Schmitter, "Economics and Differential Patterns of Political Integration," p. 707.
79. Nye, "Patterns and Catalysts," p. 872.
80. Nye, "Patterns and Catalysts," p. 881.
81. Haas and Philippe, "Economics and Differential Patterns of Political Integration," p. 707.
82. Stanley Hoffmann, "Reflections on the Nation-State in Western Europe Today," *Journal of Common Market Studies* 21(1/2), 1982, p. 29.
83. Hoffmann, "Reflections on the Nation-State," p. 29.
84. Haas and Schmitter, "Economics and Differential Patterns of Political Integration," p. 737.
85. I will "try," because the exercise is plagued with obstacles. See Craig Parsons, "Showing Ideas as Causes: The Origins of the European Union," *International Organization* 56(1), Winter 2002.
86. Duina, *The Social Construction of Free Trade.*
87. Pierson, *Politics in Time.*
88. Duina, *The Social Construction of Free Trade,* p. 185.
89. Philippe Schmitter, "Central American Integration: Spill-over, Spill-around or Encapsulation?" *Journal of Common Market Studies* 9(1), September 1970, pp. 1–48.
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91. Giovanni Sartori, *The Theory of Democracy Revisited*, Chatham, UK, Chatham House, 1987, p. 234.
92. Andrew Moravcsik, *The Choice for Europe. Social Purpose and State Power from Messina to Maastricht,* Ithaca, NY, Cornell University Press, 1998.
93. Andrew Axline, "Latin American Integration: Alternative Perspectives on a Changing Reality," *Latin American Research Review* 16(1), 1981, p. 168.
94. An allusion is made here to John Austin's classical *How to Do Things with Words*, Oxford, Clarendon Press, 1962.
95. Deutsch et al., *Political Community and the North Atlantic Area*, pp. 31–33.
96. http://usinfo.state.gov/xarchives/display.html?p=washfile-english&y=2007&m=July&x=200707241205091xeneerg0.4201471 (accessed on April 30, 2008).
97. Andrew Axline, "Regional Co-operation and National Security: External Forces in Caribbean Integration," *Journal of Common Market Studies* 27(1), September 1988, p. 1.
98. Duina, *The Social Construction of Free Trade.*
99. Caballero, "Problematising Regional Integration in Latin America."
100. Some further discussions are available on the Web site of Sciences Po's Political Observatory of Latin America and the Caribbean: http://www.opalc.org/index.php?option=com_content&task=section&id=9&Itemid=31

Two Resolving Regional Crises

1. Karl Deutsch, Sidney A. Burrell, and Robert A. Kann, *Political Community and the North Atlantic Area: International Organizations in the Light of Historical Experiences*, Princeton University Press, 1957.
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3. Ernst Haas, "International Integration: The European and the Universal Process," *International Organization* 15(3), Summer 1961.

4. Ernest Haas and Philippe Schmitter, "Economic and Differential Patterns of Political Integration: Projections about Political Unity in Latin America," *International Organization* 18(4), Autumn 1964.
5. Karl Deutsch, *The Analysis of International Relations*, Englewood Cliffs, NJ, Prentice Hall, 1968.
6. Ernst Haas, "The Uniting of Europe and the Uniting of Latin America," *Journal of Common Market Studies* 5(4), June 1967.
7. Or even the not so naïve ones: Ernst Haas admits in his 1967 article that "something is missing in the exploration of the integrative process presented in *The Uniting of Europe*. The phenomenon of a de Gaulle is omitted. De Gaulle has proved us wrong." "Uniting of Europe and Uniting of Latin America," p. 327.
8. Philippe Schmitter, "Three Neo-functional Hypotheses about International Integration," *International Organization* 23(1), Winter 1969, p. 164.
9. Philippe Schmitter, "A Revised Theory of Regional Integration," *International Organization* 24(4), Autumn 1970.
10. Engrenage being "the impossibility of maintaining prolonged separability of different issue areas." See Schmitter, "Revised Theory of Regional Integration," p. 840.
11. Philippe Schmitter, "Central American Integration: Spill-over, Spill-around or Encapsulation?" *Journal of Common Market Studies* 9(1), 1970.
12. Dorette Corbey, "Dialectical Functionalism: Stagnation as a Booster of European Integration," *International Organization* 49(2), Spring 1995.
13. Corbey, "Dialectical Functionalism," p. 263.
14. Wayne Sandholtz and John Zysman, "1992: Recasting the European Bargain," *World Politics* 42(1), October 1989, p. 97.
15. Andrew Moravcsik, "Negotiating the Single European Act: National Interests and Conventional Statecraft in the European Community," *International Organization* 45(1), Winter 1991.
16. The Federal Republic of Central America lasted from 1824 to 1838. Thomas Karnes mentioned eight tentative reconstructions between 1842 and 1863 (Thomas Karnes, *The Failure of Union. Central America, 1824–1960*, Chapel Hill, University of North Carolina Press, 1961). Among the subsequent principal attempts to resuscitate it, it is worth mentioning: the Central American Union (1885), the Major Republic of Central America (1897), the United States of Central America (1889), and the Federal Union of Central America (1921). See Felix Fernández-Shaw, *La Integración de Centroamérica*, Madrid, Ediciones Cultura Hispánica, 1965; and Ralph Lee Woodward, Jr., *Central America. A Nation Divided*, New York, Oxford University Press, 1976.
17. Karnes, *The Failure of Union*, p. 174.
18. Karnes, *The Failure of Union*, p. 228.
19. Woodward, *Central America. A Divided Nation*, p. 229.
20. ODECA, *Documentos de la Unión Centroaméricana*, 1956.
21. Table 2.1 is available online at: http://us.macmillan.com/author/olivierdabene/.
22. Author translation. The original version is available at: http://www.sica.int/busqueda/centro%20de%20documentación.aspx?IdItem=992&IdCat=28&IdEnt=401 (accessed on October 4, 2008).
23. Figures 2.1 and 2.2 are available online at: http://us.macmillan.com/author/olivierdabene/.
24. Joseph Nye, "Central American Regional Integration," p. 390 in Joseph Nye (ed.), *International Regionalism*, Boston, Little, Brown, 1968, pp. 377–429.
25. Haas, "International Integration, p. 367.
26. Alain Rouquié, "Honduras – El Salvador. La Guerre de Cent Heures: un Cas de 'Désintégration' Régionale," *Revue Française de Science Politique* 21(6), December 1971.
27. Figure 2.3 is available online at: http://us.macmillan.com/author/olivierdabene/.

28. As Isaac Cohen Orantes refers to the years 1951–1959 in *Regional Integration in Central America*, Lexington Books, 1972, pp. 21–24.
29. In a constructivist vein, I analyzed the Central American crisis in: "Invention et Rémanence d'une Crise: Leçons d'Amérique Centrale », *Revue Française de Science Politique* 42(2), August 1992, pp. 555–581.
30. There are a number of good studies of that period. See, for instance, Nora Hamilton, Jeffry Frieden, Linda Fuller, and Manuel Pastor, Jr. (eds.), *Crisis in Central America. Regional Dynamics and U.S. Policy in the 1980s*, Boulder, CO, Westview Press, 1988; John Booth and Thomas Walker, *Understanding Central America*, Boulder, CO, Westview Press, 1989.
31. See Víctor Flores Olea, *Relación de Contadora*, México, Fondo de Cultura Económica, 1988.
32. See John Booth and Mitchell Seligson (eds.), *Elections and Democracy in Central America*, Chapel Hill, University of North Carolina Press, 1989.
33. Figure 2.4 is available online at: http://us.macmillan.com/author/olivierdabene/.
34. Figure 2.5 is available online at: http://us.macmillan.com/author/olivierdabene/.
35. FEDEPRICAP: Federation of private entities of Central America and Panama. I will comment on civil society contribution to the reactivation of integration in chapter seven.
36. Lucile Medina Nicolas, "Central American Borders at the Core of the Regional Integration Process," *Geopolitics* 12, 2007, pp. 78–108.
37. The depoliticization is also a consequence of the *técnicos*' influence in the region, as noted by different analysts (Schmitter, Wynia).

Three Building a Collective Defense of Democracy

1. With few exceptions such as: Jeffrey Anderson (ed.), *Regional Integration and Democracy. Expanding on the European Experience,* Oxford, Rowman & Littlefield, 1999; Armando Toledano Laredo, *Intégration et Démocratie*, Éditions de l'Université de Bruxelles, 1982. Strangely, even the volume edited by Laurence Whitehead, *The International Dimensions of Democratization. Europe and the Americas*, Oxford University Press, 1996, does not include a chapter on regional integration.
2. Ernst Haas and Philippe Schmitter, "Economics and Differential Patterns of Political Integration: Projections about Unity in Latin America," *International Organization* 18(4), Autumn 1964, p. 737.
3. Haas and Schmitter, "Economics and Differential Patterns of Political Integration," p. 720.
4. Haas and Schmitter, "Economics and Differential Patterns of Political Integration," p. 712.
5. Peter Evans, Harold Jacobson, Robert Putnam (eds.), *Double-Edged Diplomacy: International Bargaining and Domestic Politics*, Berkeley, University of California Press, 1993.
6. Helen Milner and Robert Keohane, "Internationalization and Domestic Politics: An Introduction," in Robert Keohane and Helen Milner (ed.), *Internationalization and Domestic Politics*, Cambridge University Press, 1996, p. 5.
7. See Wayne Cornelius, Todd Eisenstadt, and Jane Hindley (eds.), *Subnational Politics and Democratization in Mexico*, San Diego, University of California Press, 1999, and Manuel Antonio Garretón, *La Posibilidad Democrática en Chile*, Santiago de Chile, FLACSO, 1989.
8. Philippe Schmitter, "A Revised Theory of Regional Integration," *International Organization* 24(4), Autumn 1970, pp. 836–868.
9. Andrew Green, *Political Integration by Jurisprudence. The Work of the Court of Justice of the European Communities in European Political Integration*, Leyden, Sijthoff, 1969.
10. See Charles Powell, "International Aspects of Democratization: The Case of Spain," in Whitehead, *The International Dimensions of Democratization*, pp. 285–314; Toledano Laredo, *Intégration et Démocratie*.

11. All the documents cited are online on the European Navigator (http://www.ena.lu, accessed on April 30, 2008).
12. Powell, "International Aspects of Democratization," p. 298.
13. Philippe Schmitter, "The Influence of International Context upon the Choice of National Institutions and Policies in Neo-Democracies," p. 44 in Whitehead, *The International Dimensions of Democratization*.
14. Table 3.1 is available online at: http://us.macmillan.com/author/olivierdabene/.
15. http://www.parlatino.org/conteudo.php?id=21&lg=en (accessed on April 30, 2008).
16. Author's translation of: *Convencidos de que la participación de los pueblos es necesaria para asegurar la consolidación y proyección futura del proceso global de integración de los países de la Subregión Andina; Conscientes de que es indispensable crea un medio de acción común para afirmar los principios, valores y objetivos que se identifican con el ejercicio efectivo de la democracia.*
17. *Art.2—El Parlamento Andino estará constituido por representantes de los pueblos de cada una de las Partes contratantes elegidos por sufragio universal y directo, según procedimiento que los Estados miembros adoptarán mediante Protocolo adicional que incluirá los adecuados criterios de representación nacional que acuerden las Partes.*

    Art.3—Hasta que el Protocolo adicional a que se refiere el Artículo anterior entre en vigencia, el Parlamento andino estará constituido por cinco representantes elegidos por los respectivos órganos legislativos de las Partes contratantes de entre sus integrantes, según el procedimiento que cado uno de aquellos adopte para el efecto.
18. No one could at that moment anticipate the extreme violent period that followed. On May 17, 1980, the eve of the presidential elections, the guerrilla movement Shining Path launched its operations.
19. Tentative translation of "*Procurar un ordenamiento político subregional generado en democracia de extracción popular y definido character participativo" and "el respeto de los derechos humanos, políticos, económicos y socials constituye norma fundamental de la conducta interna de los Estados del Grupo Andino.*" Spanish version available online at: http://untreaty.un.org/unts/60001_120000/13/40/00025988.pdf (accessed on April 29, 2008).
20. http://www.parlatino.org/conteudo.php?id=34&lg=en (accessed on April 29, 2008).
21. See, for instance, Riordan Roett (ed.), *Mercosur. Regional Integration, World Markets*, Boulder, CO, Lynne Rienner, 1999.
22. In October 1977, the Moncloa Pact was a government sponsored agreement between the recently legalized unions and business associations in order to prevent a raise of expectations in the realm of salaries and other social claims against the backdrop of economic crisis. The agreement was also signed by political parties and approved by a vote in the parliament.
23. Cited by Dominique Fournier in "The Alfonsín Administration and the Promotion of Democratic Values in the Southern Cone and the Andes," *Journal of Latin American Studies* 31(1), February 1999, p. 44.
24. Diego Achard, Manuel Flores Silva, and Luis Eduardo González, *Las Élites Argentinas y Brasileñas Frente al MERCOSUR*, BID-INTAL, 1994, p. 141.
25. Deputy Foreign Affairs Minister of Argentina Jorge Sabato, interviewed in October 1993 by Dominique Fournier. See Fournier, "The Alfonsín Administration," p. 49.
26. *Declaración conjunta Argentina-Uruguay*, Montevideo, May 26, 1987. L'acte de Montevideo approfondit la coopération entre ces deux pays, parallèlement aux efforts de rapprochement avec le Brésil.
27. Arturo Valenzuela, "Paraguay: A Coup that Didn't Happen," *Journal of Democracy*, 8(1), January 1997, pp. 43–55. Tommy Strömberg, *Did Regional Integration Save Democracy in Paraguay? An Analysis of Changing Levels of Governance*, MFS-reports 1998, Department of Economic History, Uppsala University.
28. The European Union had signed on December 15, 1995 a Framework Cooperation Agreement with MERCOSUR. In its Article 1, the agreement mentions that: "Respect

for the democratic principles and fundamental human rights established by the Universal Declaration of Human Rights inspires the domestic and external policies of the Parties and constitutes an essential element of this Agreement." In addition, since 1992, the EU also had a third generation type of a bilateral agreement with Paraguay. Its Article 1 similarly mentions democracy as a pillar of the co-operation and Article 2 details the way the EU supports Paraguay's democratization.

29. Strömberg, *Did Regional Integration Save Democracy in Paraguay?* p. 20.
30. Dexter Boniface, "Is There a Democratic Norm in the Americas? An Analysis of the Organization of American States," *Global Governance* 8, 2002, p. 376.
31. Fournier, "The Alfonsín Administration," p. 45.
32. This Protocol entered into force on January 17, 2002. Table 3.1 is available online at: http://us.macmillan.com/author/olivierdabene/.
33. Clearly this is not to suggest that no other variable should be taken into account to have a complete picture of the consolidation of democracy in MERCOSUR. On the ambiguity of the European Union's role see Jean Grugel, "Democratization and Ideational Diffusion: Europe, MERCOSUR and Social Citizenship," *Journal of Common Market Studies* 45(3), 2007, pp. 43–68.
34. A massive display of popular unrest in the capital city of Venezuela resulted in a death toll of hundreds, if not thousands. The rioters were expressing their desperation following the implementation of neoliberal IMF sponsored reforms by President Carlos Andrés Pérez.
35. Author's translation of: *El sistema democrático constituye la norma inquebrantable, la forma de vida y el instrumento idóneo para preservar la paz, alcanzar el desarrollo y la justicia social, garantizar el pleno respeto a los derechos humanos e impulsar la cooperación e integración entre nuestros pueblos.*
36. Table 3.2 is available online at: http://us.macmillan.com/author/olivierdabene/.
37. Table 3.3 is available online at: http://us.macmillan.com/author/olivierdabene/.
38. Andrew Cooper and Thomas Legler, "A Tale of Two Mesas: the OAS Defense of Democracy in Peru and Venezuela," *Global Governance* 11, 2005, pp. 425–444.
39. Olivier Dabène, "Does the Mercosur Still Have a Project?" in Francisco Domínguez and Márcos Guedes de Oliveira (eds.), *Mercosur: Between Integration and Democracy*, Bern, Peter Lang, 2004.

Four Institutional Isomorphism

1. See, for instance, Miles Kahler, *International Institutions and the Political Economy of Integration*, Washington, DC, Brookings Institution, 1995.
2. James McCall Smith, "The Politics of Dispute Settlement Design: Explaining Legalism in Regional Trade Pacts," *International Organization* 54(1), Winter 2000, pp. 137–180.
3. McCall Smith, "The Politics of Dispute Settlement Design," p. 143.
4. McCall Smith, "The Politics of Dispute Settlement Design," p. 138.
5. McCall Smith, "The Politics of Dispute Settlement Design," p. 145.
6. McCall Smith, "The Politics of Dispute Settlement Design," p. 147.
7. McCall Smith, "The Politics of Dispute Settlement Design," p. 150.
8. Francesco Duina, *The Social Construction of Free Trade. The European Union, NAFTA and MERCOSUR*, Princeton, Princeton University Press, 2006.
9. Duina, *The Social Construction of Free Trade*, pp. 71–72.
10. Duina, *The Social Construction of Free Trade*, p. 63.
11. Paul DiMaggio and Walter Powell, "The Iron Cage Revisited: Institutional Isomorphism and Collective Rationality in Organization Fields," *American Sociological Review* 48(2), April 1983, pp. 147–160.

12. Until the EU introduced flexibility in its relations with CAN during the Europe—Latin America summit of Lima (May 16–17, 2008). The final EU press declaration states: "The EC is aware that there are different approaches and sensitivities in the different CAN countries in respect of these negotiations. Therefore, the EC is ready to address sensitive matters with a great deal of flexibility . . . If this flexibility would not appear sufficient to make progress in these negotiations, other scenarios may be considered such as temporary opt out from the trade pillar of the agreements for one or the other country that is not ready for this at this moment." (*Source*: European Commission, Press Declaration, Lima, May 17, 2008.
13. Gary Wynia, *Politics and Planners. Economic Development Policy in Central America*, Madison, University of Wisconsin Press, 1972.
14. In North's classical terms, formal constraints are "rules that human beings devise," and informal constraints are "conventions and codes of behavior." See Douglass North, *Institutions, Institutional Change and Economic Performance*, Cambridge University Press, 1990, p. 4.
15. Maurice Croisat, Jean-Louis Quermonne, *L'Europe et le Fédéralisme. Contribution à l'Émergence d'un Fédéralisme Intergouvernemental*, Paris, Montchrestien, 1999.
16. Paul Pierson, *Politics in Time. History, Institutions and Social Analysis*, Princeton University Press, 2004, p. 142.
17. Philippe Schmitter, "A Revised Theory of Regional Integration," *International Organization* 24(4), Autumn 1970, p. 862.
18. Albert Hirschman, *Journeys toward Progress. Studies of Economic Policy-making in Latin America*, Boulder, CO, Westview Press, 1993 (1963); Wynia, *Politics and Planners.*
19. In Article 2.d of the Declaration's Action Program, the Presidents decided "to promote the conclusion of temporary subregional agreements." See: http://www.summit-americas.org/declarat%20presidents-1967-eng.htm (accessed on May 2, 2008).
20. William Avery and James Cochrane, "Subregional Integration in Latin America: The Andean Common Market," *Journal of Common Market Studies* 11(2), December 1972, pp. 85–102.
21. Richard Adkisson, "The Andean Group: Institutional Evolution, Intraregional Trade, and Economic Development," *Journal of Economic Issues* 37(2), June 2003, p. 378.
22. Fujimori, in his own words, "temporarily suspended" democracy as suspending constitutional rule, removing judges and dissolving Congress.
23. Article 6 of the Trujillo Protocol.
24. Table 4.2 is available online at: http://us.macmillan.com/author/olivierdabene/.
25. According to Adkisson "there is little clear evidence of dramatic improvements corresponding with the institutional reform." See Richard Adkisson, "The Andean Group: Institutional Evolution, Intraregional Trade, and Economic Development., p. 378.
26. Table 4.3 is available online at: http://us.macmillan.com/author/olivierdabene/.
27. OAS translation: www.sice.oas.org/trade/mrcsr/TreatyAsun_e.ASP#CHAPTER_II_ (accessed on May 2, 2008).
28. For all the functions of the different bodies, see the Protocol of Ouro Preto. OAS translation available at: http://www.sice.oas.org/trade/mrcsr/ourop/index.asp (accessed on May 2, 2008).
29. Article 32 of the Ouro Preto Protocol. Available at: http://www.sice.oas.org/trade/mrcsr/ourop/ourop_e.asp (accessed on October 4, 2008).
30. On this issue, see Deisy Ventura and Alejandro Perotti, *El Proceso Legislativo del Mercosur*, Montevideo, Fundación Konrad Adenauer, 2004.
31. Article 40 of the Protocol of Ouro Preto, available at: http://www.sice.oas.org/trade/mrcsr/ourop/ourop_e.asp (accessed on October 4, 2008).
32. Article 40 of the Protocol of Ouro Preto.

33. Roberto Bouzas and Hernán Soltz, "Institutions and Regional Integration: the Case of MERCOSUR," in Victor Bulmer-Thomas (ed.), *Regional Integration in Latin America and the Caribbean: The Political Economy of Open Regionalism*, London, Institute of Latin American Studies, 2001, pp. 104–105.
34. Duina, *The Social Construction of Free Trade*, p. 97.
35. Duina, *The Social Construction of Free Trade,* p. 99.
36. His exact words were: "We have to make progress on MERCOSUR's institutionalization, as a claim for institutions with supranational characteristics is rising" (*Precisamos avançar também na institucionalização do Mercosul, pois crece a demanda por instituções com características supranacionais*). The whole speech is available online at: http://www.ifhc.org.br/Upload/conteudo/01_2_87.pdf (accessed on April 29, 2008).
37. See the full list on MERCOSUR's official Web site: http://200.40.51.219/msweb/principal/contenido.asp (accessed on May 2, 2008).
38. See the full list on the MERCOSUR official Web site.
39. Celina Pena and Ricardo Rozenberg, *Mercosur: A Different Approach to Institutional Development*, FOCAL Policy Paper, 05–06. See also from the same authors, *Una Aproximación al Desarrollo Institucional del Mercosur: sus Fortalezas y Debilidades*, INTAL-ITD, Documento de divulgación 31, October 2005.
40. Annex 1 of CMC's Decision 30/02 (2002).
41. The first members of the SAT were indeed high profile academics with a will to push the logic of integration to its limit: Deisy Ventura (Law, Brazil), Alejandro Perotti (Law, Argentina), Marcel Vaillant (Economist, Uruguay) and Oscar Stark (Economist, Paraguay). Parts of my developments owe to long conversations I had with Deisy Ventura.
42. GMC's resolution 16/04 (June 25, 2004) mentions that the solicitations of SAT's technical support must be include a "clear description of the work solicited and a justification of its necessity and importance for the MERCOSUR or for the development of a particular negotiation."
43. The Article 2.b of this Annex mentions that one of the SAT's task is to elaborate a report every semester on the evolution of the process of integration, analyzing "the relevant variables affecting the process of integration." Its adds that the reports will also have to identify "in the light of a common perspective, eventual normative lacunas and specific difficulties, or themes of common interest."
44. *Un Foco para el Proceso de Integración Regional*, Primer Informe Semestral de la Secretaría del MERCOSUR, Montevideo, July 2004.
45. During the 2001 Argentine crisis, many observers pronounced MERCOSUR defunct and were quick to write its obituary. The new leftist Presidents elected in 2002 (Lula in Brazil), 2003 (Kirchner in Argentina), and 2004 (Vázquez in Uruguay), decided to strengthen MERCOSUR macroeconomic policy coordination in particular, in order to prevent future crisis.
46. "Desafíos institucionales para el MERCOSUR," Montevideo, August 27–28, 2004.
47. Decision 07/07 mentions that the Secretariat of MERCOSUR can have up to 40 employees.
48. See Decision 11/03.
49. Respectively by GMC's resolutions 66/05 and 54/03.
50. According to the SAT, between March 1991 and May 2007 a total of 1850 norms have been approved. The CMC has taken 473 decisions out of which 210 must be incorporated, and 65 were actually incorporated (30.9%). As for the GMC, the numbers are: 1,206 resolutions out of which 798 must be incorporated and 466 were incorporated (58.4%); and the CCM took 171 directives out of which 122 must be incorporated and 74 were incorporated (60.6%).
51. For a wonderful analysis of the complex relations between institutional mimetism, domestic dynamics and international constraints in MERCOSUR, see Marcelo de A. Medeiros, *La Genèse du Mercosud*, Paris, L'Harmattan, 2000.

52. See, for instance, Juan Linz and Arturo Valenzuela (eds.), *The Failure of Presidential Democracy. The Case of Latin America Vol.2*, Baltimore, MD, and London, Johns Hopkins University Press, 1994.
53. Juan Linz, "Presidential or Parliamentary Democracy: Does It Make a Difference?" in Linz and Valenzuela, *The Failure of Presidential Democracy Vol. 2*, p. 36.
54. Andres Malamud, "Presidentialism and Mercosur: A Hidden Cause for a Successful Experience," in *Comparative Regional Integration. Theoretical Perspectives*, edited by Finn Laursen, London, Ashgate, 2003, p. 64.
55. Gabriel Negretto, "Government Capacities and Policy Making by Decree in Latin America. The Cases of Argentina and Brazil," *Comparative Political Studies* 37(5), 2004, pp. 551–562.
56. Carlos Pereira, Timothy Power, and Lucio Rennó, *From Logrolling to Logjam: Agenda Power, Presidential Decrees, and the Unintended Consequences of Reform in the Brazilian Congress*, University of Oxford, Centre for Brazilian Studies, Working Paper CBS 71–06.
57. Wynia, *Politics and Planners*, p. 12.
58. Susan Strange, *The Retreat of the State. Diffusion of Power in the World Economy*, Cambridge University Press, 1996.
59. Luis Carlos Bresser Pereira was minister of administration and state reform. He conceived the 1998 Brazilian State reform.
60. Sérgio Henrique Abranches, "O Presidencialismo de Coalizão: O Dilema Institucional Brasileiro ," *Dados* 31(1), 1988.
61. Jorge Lanzaro (ed.), *Tipos de Presidencialismo y Coaliciones Políticas en América Latina*, Buenos Aires, CLACSO, 2003.

Five Scope and Level of Integration: Explaining a Mismatch

1. Philippe Schmitter, "A Revised Theory of Regional Integration," *International Organization* 24(4), 1970, p. 841.
2. Philippe Schmitter, "Central American Integration: Spill-over, Spill-around or Encapsulation?" *Journal of Common Market Studies* 9(1), September 1970, p. 39.
3. Schmitter, "A Revised Theory of Regional Integration," p. 840.
4. But there is also: spill-over (increase of both scope and level), build-up (increase of level), retrench (increase of level, decrease of scope), muddle-about (increase scope, decrease level), spill-back (decrease of both scope and level), encapsulation (no change).
5. Dorette Corbey, "Dialectical Functionalism: Stagnation as a Booster of European Integration," *International Organization* 49(2), Spring 1995, p. 253.
6. Schmitter, "Central American Integration," p. 26.
7. Table 5.1 is available online at: http://us.macmillan.com/author/olivierdabene/.
8. Isaac Cohen Orantes, *Regional Integration in Central America*, Lexington Books, 1972, p. 32.
9. Cohen Orantes, *Regional Integration in Central America*, pp. 49–54.
10. Cohen Orantes, *Regional Integration in Central America*, p. 60.
11. Declaración de Alajuela, Costa Rica, January 16, 1987. This extract and the following ones have been translated by the author.
12. An English translation is available online at: http://www.sice.oas.org/Trade/sica/PDF/TegProtODECA91_e.pdf (accessed on May 1, 2008).
13. Author's translation. Original document available at: http://www.sica.int/busqueda/busqueda_archivo.aspx?Archivo=acue_965_4_29092005.htm
14. English translation available at: http://www.state.gov/p/wha/rls/70979.htm (accessed on May 1, 2008).

15. Interview with José Arnoldo Sermeño Lima, secretary of Central American Social Integration, San Salvador, July 19, 2007. At the time of this interview, the representative from Guatemala was the secretary of planning, the one from Honduras the minister of culture, from Nicaragua the minister of family, from Panama the minister of social development and from Costa Rica the minister of housing.
16. CEPAL-BID, *La Integración Centroamericana y la Institucionalidad Regional*, December 10, 1997.
17. Regional integration has never been a burden for Central American governments. According to ROCAP's figures, cited by Joseph Nye in 1965, "the price of running the integration institutions has been quite low: equivalent of roughly 1% of the five government budgets or one-tenth of 1% of the regional gross domestic product. Furthermore, the governments pay only a quarter of these costs directly, the largest part being met from earnings on services and foreign assistance." See Joseph Nye, "Central American Regional Integration," in Joseph Nye (ed.), *International Regionalism*, Boston, Little, Brown, 1968, p. 400.
18. CEPAL, *Open Regionalism in Latin America and the Caribbean. Economic Integration as a Contribution to Changing Productions Patterns with Social Equity*, September 1994.
19. XIX Cumbre de Presidentes Centroamericanos, *Lineamientos para el Fortalecimiento y Racionalización de la Institucionalidad Regional*, Panamá, July 12, 2007. All the Summits Declarations are available online on SICA's oficial Web site: http://www.sica.int (accessed on May 1, 2008).
20. The text actually reads more as a declaration of intention than a real change, but since both institutions were opposed by Costa Rica (for the Parliament) and Costa Rica and Guatemala (for the Court), it is a consolidation.
21. Reunión Extraordinaria, *Declaración de Managua*, September 2, 1997.
22. Reunión Extraordinaria de Presidentes Centroamericanos, *Declaración Conjunta*, Comalapa, El Salvador, November 8, 1998.
23. Reunión Extraordinaria de Presidentes de Centroamérica, República Dominicana y Belice, *Ayuda Memoria*, Tegucigalpa, Honduras, February 4, 1999.
24. Reunión Extraordinaria de Presidentes Centroamericanos, República Dominicana y Belice con el Presidente de los Estados Unidos de América, *Declaración de Antigua*, Antigua, Guatemala, March 11, 1999.
25. The Plan was composed of eight initiatives in the sectors of energy, transportation, telecommunications, trade facilitation, sustainable development, human development, tourism, and disaster prevention. Official Web site: http://www.planpuebla-panama.org (accessed on May 1, 2008.
26. See José Arnoldo Sermeño Lima, *SISCA. Informe de Labores*, 2007. Available online at SISCA's Web site: www.sica.int/sisca (accessed on May 1, 2008).
27. Cumbre Extraordinaria de Jefes de Estado y de Gobierno de los Países del SICA, San Salvador, November 11, 2005.
28. Reunión Cumbre sobre la Iniciativa Energética Centroamericana, El Salvador, January 22, 2006.
29. Reunión Extraordinaria de Presidentes, Declaración conjunta de los Presidentes de El Salvador, Honduras, Guatemala y Nicaragua sobre los Pandillas "Mara Salvatrucha" y "Mara 18," Guatemala, January 15, 2004; Cumbre Extraordinaria de Jefes de Estado y de Gobierno de los Países Miembros del SICA sobre Seguridad, Tegucigalpa, October 10, 2006.
30. European Commission, *Central America Regional Strategy Paper 2007–2013*, p. 25 (http://ec.europa.eu/external_relations/ca/rsp/index.htm (accessed on May 1, 2008).
31. Protocolo de Reformas al Tratado Constitutivo del Parlamento Centroamericano y Otras Instancias Políticas, Reunión Extraordinaria de Jefes de Estado y de Gobierno de los países del SICA sobre la Institucionalidad Regional, San Salvador, February 20, 2008.

32. One of the three conclusions reached by Roberto Bouzas, Pedro Da Motta Veiga and Ramón Torrent in their *In-Depth Analysis of MERCOSUR Integration, its Prospectives and the Effects Thereof on the Market Access of EU Goods, Services and Investment* (Barcelona, Observatory of Globalization, 2002) is that there are "too many legal acts with no practical effects. This has been probably the result of the need to meet deadlines and targets and provide a sense of progress in "rule making." This has reduced transparency (i.e., it is unclear which rules are effective) and seriously challenged the credibility of the rule-making process."
33. In these tables, I used an ad hoc classification that differs from INTAL's one or, regarding MERCOSUR, from the one used by Roberto Bouzas, Pedro Da Motta Veiga, and Ramón Torrent in their *In-Depth Analysis of MERCOSUR Integration*. See figure 5.1 online at: http://us.macmillan.com/author/olivierdabene/.
34. See the figure 5.2 online at: http://us.macmillan.com/author/olivierdabene/.
35. See the figure 5.3 online at: http://us.macmillan.com/author/olivierdabene/.
36. See: Martha Isabel Gómez Lee, *Protección de los Conocimientos Tradicionales en las Negociaciones TLC*, Bogotá, Universidad Externado de Colombia, 2004.
37. Common regime on industrial property.
38. Author's translation of: *Artículo 3.—Los Países Miembros se asegurarán que la protección conferida a los elementos de la propiedad industrial se concederá salvaguardando y respetando su patrimonio biológico y genético, así como los conocimientos tradicionales de sus comunidades indígenas, afroamericanas o locales. En tal virtud, la concesión de patentes que versen sobre invenciones desarrolladas a partir de material obtenido de dicho patrimonio o dichos conocimientos estará supeditada a que ese material haya sido adquirido de conformidad con el ordenamiento jurídico internacional, comunitario y nacional. Los Países Miembros reconocen el derecho y la facultad para decidir de las comunidades indígenas, afroamericanas o locales, sobre sus conocimientos colectivos.*
39. WTO Web site (http://www.wto.org/english/docs_e/legal_e/27-trips_04c_e.htm#5, accessed on March 30, 2008.
40. Martha Isabel Gómez Lee, *Protección de los Conocimientos Tradicionales, Op. Cit.*, p.50.
41. See figures 5.4 and 5.5 online at: http://us.macmillan.com/author/olivierdabene/.
42. Julio Godio *El Mercosur, los Trabajadores y el ALCA*. Buenos Aires, Editorial Biblos, 2004.
43. The so-called third generation agreements negotiated by the European Union include a clause stipulating that the parties are free to add new issue areas to the agenda.
44. Stephen Clarkson, *Uncle Sam and Us, Globalization, Neoconservatism and the Canadian State*, University of Toronto Press, 2002. See also Ricardo Grinspun and Maxwell Cameron, *The Political Economy of North American Free Trade*, New York, Saint Martin's Press, 1993.
45. John Foster and John Dillon cite U.S. Trade Representative Clayton Yeutter having said at the time of CUSTA negotiations: "The Canadians don't understand what they signed. In twenty years, they will be sucked into the US economy. Free Trade is just the first step in a process leading to the creation of a single North American economy" ("NAFTA in Canada: The Era of a Supra-Constitution," p.1 on: http://www.kairoscanada.org/e/economic/trade/NAFTACanada.pdf, accessed on May 2, 2008).
46. Clarkson, *Uncle Sam and Ue*, p. 51.
47. Clarkson, *Uncle Sam and Us*, pp. 71–72.

Six The Parliamentary Option

1. Author's translation of Paul Magnette, *Contrôler l'Europe. Pouvoirs et Responsabilités dans l'Union Européenne*, Bruxelles, Editions de l'Université de Bruxelles, 2003, p. 35.
2. Andreas Follesdal and Simon Hix, "Why There Is a Democratic Deficit in the EU: A Response to Majone and Moravcsik," *Journal of Common Market Studies* 44 (3), 2006, pp. 533–562.

3. This point is also made by Magnette, *Contrôler l'Europe*.
4. See Olivier Costa, *Le Parlement Européen, Assemblée Délibérante*, Presses de l'Université de Bruxelles, 2000.
5. With the exception of France after its transition to its Fifth Republic in 1958, adopting a more presidential regime. Nevertheless, in this country most of the parliamentarian had been socialized during the Fourth Republic (1946–1958), a parliamentary regime.
6. Table 6.1 is available online at: http://us.macmillan.com/author/olivierdabene/.
7. In 2008, the PARLATINO is comprised of eleven South American countries (all of them but Guyana), the seven Central American countries, and Aruba, Cuba, the Dominican Republic, and the Dutch Antillas. See the official Web site: http://www.parlatino.org (accessed on April 16, 2008).
8. See the IPA official Web site: http://www.parlamentoindigena.org (accessed on April 16, 2008).
9. See the official Web site: http://www.otca.org.br (accessed on April 16, 2008).
10. See his interview on http://www.commercemonde.com/024/sommaire/une-charbonneau.html (accessed on April 17, 2008).
11. See the official Web site: http://www.e-fipa.org (accessed on April 17, 2008).
12. The Treaty, signed on May 23, 2008, stipulates in its article 17 that a protocol will later be adopted creating a Parliament with its headquarter in Cochabamba, Bolivia.
13. Trujillo Protocol, March 10, 1996.
14. Actually the first three days of each month's last week, between March and June and August and November.
15. Interviews with Pedro Montero, assistant general secretary, Bogotá, April 20, 2007 and Ruben Núñez Vélez, general secretary of PARLANDINO, Caracas, April 2, 2008.
16. Article 4 of the Agreement for the Establishment of an Assembly of Caribbean Community parliamentarian.
17. See the English version of the Treaty on http://www.sice.oas.org/trade/mrcsr/mrcsrtoc.asp (accessed on April 18, 2008).
18. Cited by Pierre Hontebeyrie in *Informe final*, Apoyo a la Comisión parlamentaria conjunta del MERCOSUR, August 2003.
19. MERCOSUR/XXV CMC/DEC. 26/03, in *Hacia el Parlamento del MERCOSUR. Una Recopilación de Documentos*, CPC/Konrad Adenauer Foundation, 2004.
20. Ricardo Alonso García, *Informe*, Apoyo a la Comisión parlamentaria conjunta del MERCOSUR, June 10 and October 2, 2003.
21. Acuerdo interinstitutional Consejo Mercado Común—Comisión del Mercado Común in *Hacia el Parlamento del MERCOSUR*.
22. See, for instance, Friedrich Ebert Foundation (FESUR), *Desafíos Institucionales para el Mercosur. Documento Preparatorio*, International Seminar, Montevideo, August 27–28, 2004.
23. MERCOSUR/CMC/Decision 05/04, "Aprobación del Programa de Estudios del SAT."
24. The following comments owe a great deal to a series of interviews and discussions with SAT members and experts during the FESUR Seminar of August 2004.
25. Figure 6.1 is available online at: http://us.macmillan.com/author/olivierdabene/.
26. Author's translation of: "Realizar todas las actividades que correspondan al ejercicio de sus competencias."
27. At that time Venezuela had dissolved its senate. The adhesion of Venezuela had not yet been ratified by the Brazilian Senate, therefore Venezuela was granted only sixteen representatives, and the right to participate in the debates without voting.
28. And as a result of each country's electoral calendar, elections were about to take place in 2008 in Paraguay, 2009 in Argentina and Uruguay and 2010 in Brazil.
29. See the official Web site: http://www.parlamentodelmercosur.org/index1.asp# (accessed on April 19, 2008).

30. See chapter eight.
31. (A) Legal and institutional issues; (B) Economy, finance, trade, tax, and money; (C) International, interregional, and strategic planning; (D) Education, culture, science, technology, and sports; (E) Labor, employment policy, social security, and social economy; (F) Sustainable regional development, territorial order, housing, health, environment, and tourism; (G) Domestic issues, security, and defense.
32. Argentina, Brazil, and Venezuela. Venezuela has eliminated its Senate so the following argument does not apply to this country.
33. See chapter eight.
34. See figure 6.2 online at: http://us.macmillan.com/author/olivierdabene/.
35. See chapter seven.
36. His brother Alberto, who was elected governor of San Luis in 2003 ran for the Presidency in 2007 and even if he lost, he secured 87.5% of the votes in his province.

Seven Integration from Below

1. http://www.europarl.europa.eu/elections2004/epelection/sites/en/results1306/turnout_ep/turnout_table.html
2. There is a growing literature on the topic. See, for instance, Diana Tussie and Mercedes Botto (eds.), *El ALCA y las Cumbres de las Américas: ¿Una Nueva Relación Público-Privada?* Buenos Aires, Editorial Biblos, 2003; and on the particular role played by scholars: Mercedes Botto (ed.), *Saber y Política en América Latina. El Uso del Conocimiento en las Negociaciones Comerciales Internacionales*, Buenos Aires, Prometeo, 2007.
3. As defined by Daphné Josselin and William Wallace: "Organizations 1) largely or entirely autonomous from central government funding and control: emanating from civil society, or from the market economy, or from political impulses beyond control and direction; 2) operating or participating in networks which extend across the boundaries or two or more states—thus engaging in 'transnational' relations, linking political systems, economies, societies; 3) acting in ways which affect political outcomes, either within one or more states or within international institutions—either purposefully or semi-purposefully, either as their primary objective or as one aspect of their activities." (Daphné Josselin and William Wallace, "Non-state Actors in World Politics: a Framework," in Daphné Josselin and William Wallace [eds.], *Non-state Actors in World Politics*, New York, Palgrave Macmillan, 2001, pp. 3–4).
4. Margaret Keck and Kathryn Sikkink, *Activists beyond Borders. Advocacy Networks in International Politics*, Ithaca, NY, Cornell University Press, 1998. Sydney Tarrow, *The New Transnational Activism*, New York, Cambridge University Press, 2005.
5. See, for instance, the following Web sites (all accessed on April 22, 2008): World Bank: http://web.worldbank.org/WBSITE/EXTERNAL/TOPICS/CSO/0,,pagePK:220469~theSitePK:228717,00.html Organization for Economic Co-operation and Development (OECD): http://www.oecd.org/document/11/0,3343,fr_21571361_38620013_38780171_1_1_1_1,00.html United Nations (UN): http://www.un.org/issues/civilsociety/European Commission: http://ec.europa.eu/civil_society/index_en.htm/.
6. See chapter nine.
7. José Caballero, "Problematising Regional Integration in Latin America: Regional Identity and the Enmeshed State. The Central American Case," UNU-CRIS Working Papers, W-2007/2.
8. Caballero, "Problematising Regional Integration in Latin America," pp. 31–32.
9. See figure 2.1.

10. FECAICA is one of the oldest Central American private sector organizations. Founded in 1959, it has consistently support the regional integration project, especially during its first phase of import-substitution and industrialization strategy.
11. Olivier Dabène, "Quelle Intégration pour quelle Amérique Centrale dans les Années Quatre-vingt-dix?" *Cahiers des Amériques Latines* no. 12, 1992.
12. Cited by Mario Lungo Uclés, *El Salvador in the Eighties. Counterinsurgency and Revolution*, Philadelphia, PA, Temple University Press, 1996, p. 136.
13. Table 7.1 is available online at: http://us.macmillan.com/author/olivierdabene/.
14. Ralph Lee Woodward, Jr., *Central America. A Divided Nation*, New York, Oxford University Press, 1976.
15. U.S. Democracy Promotion Programs in particular. See William Robinson, *Transnational Conflicts. Central America, Social Change, and Globalization*, London, Verso, 2003, p. 225.
16. The State of Mato Grosso do Sul joined CODESUL in 1992.
17. See figure 7.1 on the Web site: http://us.macmillan.com/author/olivierdabene/.
18. CRECENEA's provinces population: 7.5 million, with: Chaco: 0.9; Corrientes: 0.9; Entre Ríos: 1.1; Formosa: 0.5; Misiones: 0.9; and Santa Fe: 3. CODESUL's states population: 25.3 million, with: Mato Grosso do Sul: 1.9; Paraná: 9; Rio Grande do Sul: 9.6; Santa Catarina: 4.8.
19. See: http://www.regionnortegrande.com.ar/?noticia=9964 (accessed on April 24, 2008).
20. Table 7.2 is available online at: http://us.macmillan.com/author/olivierdabene/.
21. These classifications ought to be taken with caution, as local politics in Brazil sometimes has partisan cleavages of its own.
22. Some Argentinean social organizations from the city of Gualeguaychú criticized the Uruguayan decision to allow the Finnish multinational Botnia and Spanish paper giant ENCE to massively invest in the construction of two paper-pulp plants on Uruguay's bank of the river. The mobilization resulted in a long blockade of the bridge, received the support of President Kirchner and governors. Busti accused Rovira and Colombi of being hypocrites because their provinces had installed the same plants on their side of the river. See www.ellitoral.com/index.php/diarios/2006/11/08/politica/POLI-12.html (accessed on April 25, 2008). For many observers, this crisis epitomizes MERCOSUR's institutional weakness, as Argentina decided to take the case to the International Court of Justice.
23. Asunción (Paraguay); Rosario, La Plata, Córdoba, Buenos Aires (Argentina); Florianópolis, Porto Alegre, Curitiba, Rio de Janeiro, Brasilia, Salvador (Brazil); Montevideo (Uruguay).
24. Cities not only from MERCOSUR's five members (with Venezuela), but also from the associate members (Chile, Bolivia, Peru). See the Mercociudades' official Web site: http://www.mercociudades.net (accessed on April 25, 2008).
25. Author's translation of "Favorecer la participación de las ciudades en la estructura del MERCOSUR, persiguiendo la co-decisión en las áreas de su competencia" (Article 2.1 of its Statutes, on the official Web site).
26. Daniel Chaquetti, *El Mercosur y las Ciudades. Apuntes para una Agenda del Comité de Municipios del Foro Consultivo de Municipios, Estados Federados, Provincias y Departamentos del Mercosur*, Montevideo, FESUR, December 2006, pp. 15–16.
27. A secretary was established in Montevideo and a total of ten "technical units" were created: culture, social development, youth, local economic development, tourism, citizen security, education, science and technology, environment and sustainable development, local autonomy, finance, and governance.
28. Many of them were discussed during the Seminar *Políticas de Integración Regional. Experiencias Locales Exitosas en el MERCOSUR*, Tandi, Argentina, September 13–14, 2007. The presentations are posted on Mercociudades official Web site (accessed on April 26, 2008): http://www.mercociudades.net/descargas/documentos/Publicaciones/libro_tandil_set_2007.pdf

29. Diego Achard, Manuel Flores Silva, Luis Eduardo González, *Las Élites Argentinas y Brasileñas frente al MERCOSUR*, Buenos Aires, BID-INTAL, 1994, p. 114.
30. Ministerio de economía, *Iniciativas Inter e Intraempresariales Argentino-Brasileñas en el Marco del MERCOSUR*, Buenos Aires, 1991.
31. Rosario Domingo, Héctor Pastori, Tabaré Vera, *Comportamiento Estratégico de las Empresas Industriales frente a la Apertura*, Montevideo, Universidad de la República, Departamento de Economía, Documento no. 4, 1994.
32. Bernardo Kosacoff, Gabriel Bezchinsky, *De la Sustitución de Importaciones a la Globalización. Las Empresas Transnacionales en la Industria Argentina*, Buenos Aires, CEPAL, Documento de trabajo no. 52, 1993.
33. The survey was based on 414 interviews of "elite members" (politicians, top government agents, entrepreneurs, selected according to their type of activity, reputation, residence, and partisan affiliation). See Achard, Flores Silva, González, *Las Élites Argentinas y Brasileñas*.
34. Wolfram F. Klein, *El MERCOSUR. Empresarios y Sindicatos Frente a los Desafíos del Proceso de Integración*, Caracas, Editorial Nueva Sociedad, 2000.
35. Guillermo Ondarts, "Los Industriales Latinoamericanos y la Nueva Integración," *Intal* 17, 1991, pp. 3–19, cited by Wolfram Klein, *El MERCOSUR, Empresarios y Sindicatos Frente a los Desafíos del Proceso de Integración*.
36. Also cited by Wolfram Klein, *El MERCOSUR, Empresarios y Sindicatos Frente a los Desafíos del Proceso de Integración*: Eduardo D'Alessio, "El MERCOSUR, la Voz de los Empresarios de los Cuatro Países," in Adeba, 7a convención de Bancos privados nacionales, Buenos Aires, August 26–28, 1991; Ciesu, *Organizaciones Empresariales y Políticas Públicas*, Fesur e Instituto de Ciencias Políticas, Montevideo, 1992.
37. The group was composed of five Argentine universities (Buenos Aires, La Plata, Litoral, and Rosario), and one from Brazil (Santa Maria), Paraguay (Asunción), and Uruguay (Republic).
38. Sílvia Helena Soares Schwab, José Waimer, *Asociación de Universidades Grupo de Montevideo. 15 años de Historia*, Montevideo, AUGM, 2007, pp. 12–13.
39. Sílvia Helena Soares Schwab, José Waimer, *Asociación de Universidades Grupo de Montevideo. 15 años de Historia*, p. 24.
40. See the official Web site: www.grupomontevideo.edu.uy (accessed on April 27, 2008).
41. The countries invited in1997 included the four members of MERCOSUR, the two associate members (Chile and Bolivia), and a guest country, Venezuela. In a premonitory way, the Biennial integrated this country ten years before its actual accession to MERCOSUR. These insights are owed to discussions with the Biennial's officials in 2000–2002.
42. Peter Katzenstein, "International Interdependence: Some Long-term Trends and Recent Change," *International Organization* 29(4), 1975.
43. GMC Resolution 11/91.
44. Frequent discussions with CUT's members in charge of the MERCOSUR division in 2001 in Sao Paulo, Brazil.
45. Wolfram Klein, *El Mercosur, Empresarios y Sindicatos Frente a los Desafíos del Proceso de Integración*, p. 182.
46. CMC Decision O4/91.
47. Frequent discussions with FIESP members in charge with the MERCOSUR division in 2001 in Sao Paulo, Brazil.
48. Wolfram Klein, *Empresarios y Sindicatos Frente a los Desafíos del Proceso de Integración*, pp. 189–190.
49. Table 7.3 is available online at: http://us.macmillan.com/author/olivierdabene/.
50. See the official Web site: http://www.fces-mercosur.com/es/node/35 (accessed on April 28, 2008).
51. SIECA, *El Desarrollo Integrado de Centroamérica en la Presente Década*, 11 vol., Buenos Aires, INTAL, 1973.
52. Both tables are available online at: http://us.macmillan.com/author/olivierdabene/.

53. See the official Web site: http://www.comunidadandina.org/sai/estructura_18.html (accessed on April 28, 2008).
54. See the official Web site: http://www.comunidadandina.org/sai/estructura_19.html (accessed on April 28, 2008).
55. Alvaro de la Ossa, "Gran Caribe: Mecanismos para Profundizar la Participación de los Actores Sociales," pp.141–169 in Francine Jácome, Andrés Serbin (ed.), *Sociedad Civil e Integración Regional en el Gran Caribe*, Caracas, Nueva Sociedad, 1998.
56. See the official Web site: http://www.caricom.org/jsp/secretariat/legal_instruments/chartercivilsocietyresolution.jsp?menu=secretariat (accessed on April 28, 2008). Another example could be the Inter-American Dialogue. See, for instance, Jorge Domínguez, founding Dialogue member forecasting in 1997 a strengthening of an Inter-American civil society (Jorge Domínguez [ed.], *The Future of Inter-American Relations*, New York, Routledge, 2000).
57. Primer Foro de la sociedad civil del Gran Caribe, *Documentos*, Cartagenas de Indias, Colombia, November 23–26, 1997.
58. *Participación de la Sociedad Civil en los Procesos de Integración*, Montevideo, ALOP, CEFIR, CLAEH, 1998.
59. This is what André Drainville calls the "double movement of social forces in the Americas" (Drainville, "Social Movements in the Americas. Regionalism from Below?" in Gordon Mace and Louis Bélanger [eds.], *The Americas in Transition. The Contours of Regionalism*, Boulder, CO, Lynne Rienner, 1999, p. 235.

Eight Integration and Common Goods

1. Giovanni Sartori, *The Theory of Democracy Revisited*, Chatham, UK, Chatham House, 1987, p. 234.
2. Sartori, *The Theory of Democracy Revisited*, p. 228.
3. Sartori, *The Theory of Democracy Revisited*, p. 235.
4. Fritz Scharpf, *Governing in Europe: Effective and Democratic?* Oxford University Press, 1999, p. 6. This perspective has not received sufficient scholar attention. See, for instance, the otherwise extremely stimulating Philippe Schmitter's *How to Democratize the European Union . . . and Why Bother?* Boston, Rowman & Littlefield, 2000.
5. See the discussion in Jaime de Melo, Arvind Panagariya, and Dani Rodrik, "The New Regionalism: A Country Perspective," in Jaime de Melo and Arvind Panagariya (eds.), *New Dimensions in Regional Integration*, Cambridge University Press, 1993.
6. Willem Mole, *The Economics of European Integration. Theory, Practice, Policy,* Aldershot, UK, Ashgate, 4th edition, 2001 p. 396.
7. Table 8.1 is available online at: http://us.macmillan.com/author/olivierdabene/.
8. Like between the Eastern and Western parts of Germany after its reunification.
9. See an official definition in the Europa Glossary: http://europa.eu/scadplus/glossary/subsidiarity_en.htm (accessed on May 5, 2008).
10. Centre d'Analyse Stratégique, *The European Union Budget: Some Central Issues at Stake in the 2008–2009 Revision*, July 9, 2007 (online: http://www.strategie.gouv.fr/IMG/pdf/FwkdocumentLisbonne4EN.final.pdf, accessed May 5, 2008).
11. See the research conducted at Sciences Po (Groupe d'économie mondiale): www.gem.sciences-po.fr/content/publications/pdf/PB_transparence_PR_EN170306.pdf, accessed on May 8, 2008.
12. Marco Schaub, *European Regional Policy. The Impact of Structural Transfers and the Partnership Principle since the 1988 Reform*, West Lafayette, IN, Purdue University Press, 2004, p. 80.
13. Scharpf, *Governing in Europe*, p. 50.

14. The notion of multilevel governance describes this type of decision-making process. See chapter nine.
15. See Rolando Franco and Armando Di Filippo, *Las Dimensiones Sociales de la Integración Regional en América Latina*, Santiago, CEPAL, 1999.
16. Table 8.2 is available online at: http://us.macmillan.com/author/olivierdabene/.
17. See the official presentation: http://www.comunidadandina.org/ingles/agenda_social/pids.htm (accessed on May 5, 2008).
18. Official Web site: http://www.orasconhu.org (accessed on May 5, 2008).
19. Marco Ferroni, "Regional Public Goods: The Comparative Edge of Regional Development Banks," Paper presented at the *Conference on Financing for Development: Regional Challenges and the Regional Development Banks*, Washington, DC, Institute for International Economics, February 19, 2002 (www.iiea.iie.com/publications/papers/ferroni0202.pdf, accessed on May 6, 2008).
20. Argentina, Bolivia, Brazil, Chile, Colombia, Ecuador, Guyana, Paraguay, Peru, Surinam, Uruguay, and Venezuela.
21. Mauricio Mesquita Moreira, *IIRSA Economic Fundamentals*, ITD-INT, August 2006. http://idbdocs.iadb.org/wsdocs/getdocument.aspx?docnum=800737 (accessed on May 5, 2008).
22. See the official Web site: http://www.iirsa.org (accessed on May 5, 2008).
23. Ricardo Carciofi, "Cooperation and Provision of Regional Public Goods. The IIRSA Case," *Integration and Trade*, n°28, January-June 2008, pp. 51–82.
24. Ricardo Carciofi, "Cooperation and Provision of Regional Public Goods. The IIRSA Case," p. 52.
25. See chapter nine.
26. See Kurt-Peter Schütt and Flavio Carucci (ed.), *Retos y Perspectivas de la Integración Energética en América Latina*, Caracas, ILDIS, 2007.
27. See PVDSA's site (accessed on May 5, 2008): http://www.pdvsa.com/index.php?tpl=interface.en/design/readmenuprinc.tpl.html&newsid_temas=46
28. Interview with Dominican President Leonel Fernández, February 14, 2008.
29. When the oil prices reached $70 a barrel, Chávez offered 50%. He promised to go up to 30% if the prices reach $200 a barrel.
30. "Venezuela Pone sus Reservas a Disposición de Suramérica," *El Tiempo* (Bogota, Colombia), April 18, 2007.
31. See chapter nine for comments on UNASUR.
32. To be sure, only the Argentine military junta believed the United States would help them conquer the islands over the United Kingdom.
33. Table 8.3 is available online at: http://us.macmillan.com/author/olivierdabene/.
34. For a more sophisticated discussion on asymmetries in the MERCOSUR, see Roberto Bouzas, "Compensating Asymmetries in Regional Integration Agreements: Lessons from MERCOSUR," in Paulo Giordano, Francesco Lanzafame, and Jörg Meyer-Stamer, *Asymmetries in Regional Integration and Local Development*, Washington, DC, IADB, 2005, pp. 85–112.
35. The following comments are based on a study of all the debates' minutes.
36. Figure 8.1 is available online at: http://us.macmillan.com/author/olivierdabene/.
37. Article 17.1 (Decision 24/05).
38. Even for Paraguay, it represents a mere 0.15% of the GDP, as compared to the structural funds in Europe that at their maximum amounted to about 6% of Spain's GDP.

Nine Regional Multilevel Governance in the Americas?

1. Verónica Montecinos, "Ceremonial Regionalism, Institutions and Integration in the Americas," *Studies in Comparative International Development* 31(2), Summer 1996.

2. Stephen Krasner, "Structural Causes and Regime Consequences: Regimes as Intervening Variables," in Stephen Krasner (ed.) *International Regimes*, Cornell University press, 1983, p. 2.
3. Andreas Hasenclever; Peter Mayer; Volker Rittberger (eds.), *Theories of International Regimes*, New York, Cambridge University Press, 1997.
4. Inaugurated in 1983, CBI was eventually expanded in 2000 with the U.S.-Caribbean Basin Trade Partnership Act (CBTPA), signed by nineteen countries.
5. Denver (June 30, 1995), Cartagena (March 21, 1996), Belo Horizonte (May 16, 1997), and San José (March 19, 1998). See the official Web site: http://www.ftaa-alca.org/View_e.asp (accessed on May 29, 2008).
6. General Principles and Objectives, Summit of the Americas Fourth Trade Ministerial Joint Declaration, Annex 1, San José, Costa Rica, March 19, 1998 See: http://www.ftaa-alca.org/Ministerials/SanJose/SanJose_e.asp#AnnexI, accessed on May 29, 2008.
7. At that time, MERCOSUR's average external tariff was 13% against 3% for the United States.
8. General Principles and Objectives, March 19, 1998.
9. General Principles and Objectives, March 19, 1998.
10. Richard Feinberg, *Summitry in the Americas. A Progress Report*, Washington, DC, Institute for International Economics, 1997, p. 103.
11. Table 9.1 is available online at: http://us.macmillan.com/author/olivierdabene/.
12. NAFTA covers exactly the same issue areas, except competition policy. For a view on the way the "Bush and Clinton administrations adopted strategies of targeted side payments in order to enhance the prospects for ratification of the agreement," see William Avery and Richard Friman, "Who Got What and Why: Constructing North American Free Trade," in Kenneth Thomas and Mary Ann Tétreault (eds.), *Racing to Regionalize. Democracy, Capitalism, and Regional Political Economy*, Boulder, Lynne Rienner, 1999, p. 111.
13. A final meeting was held on November 27–29, 1994 at Airlie House (Warrenton, VA) to draft the Plan of Action that would be approved during the Miami Summit. Feinberg, *Summitry in the Americas*, p. 148.
14. James Rosenau, *Along the Domestic-Foreign Frontier. Exploring Governance in a Turbulent World*, Cambridge University Press, 1997, p. 40.
15. James Rosenau, "Governance in the Twenty-first Century," *Global Governance*, 1, 1995, p. 13.
16. Gary Marks, Liesbet Hooghe, and Kermit Blank, "European Integration from the 1980s: State-Centric *v.* Multi-level Governance," *Journal of Common Market Studies* 34(3), September 1996, p. 346.
17. Gary Marks and Liesbet Hooghe, "Contrasting Visions of Multi-level Governance," in Ian Bache and Matthew Flinders (eds.), *Multi-level Governance*, Oxford University Press, 2004, pp. 16–17.
18. Of course the notion of governance has also received many criticisms that cannot be mentioned in the scope of this study. See in particular the March 1998 issue of the *International Social Science Journal*.
19. James Rosenau, *Turbulence in World Politics. A Theory of Continuity and Change*, Princeton University Press, 1990.
20. The Inter-American Dialogue, *Convergence and Community. The Americas in 1993*, Washington, DC, Aspen Institute, 1992, p. v.
21. Including the academic community. See, for instance, Abraham Lowenthal, "Latin America: Ready for Partnership?" *Foreign Affairs*, 72(1), 1992–1993, pp. 79–92 ; or Robert Pastor, "The Latin American Option," *Foreign Policy* 88, Autumn 1992, pp. 107–125. In Europe, the same euphoria was perceivable. See the report of the second Euro–Latin America Forum titled *A Convergência Natural* (Lisbon, IEEI, October 1993).
22. "Convergencia: la Palabra Mágica de la Integración," *Capítulos de SELA*, no. 42, January–March 1995.
23. Olivier Dabène, *La Région Amérique Latine. Interdépendance et Changement Politique*, Paris, Presses de Sciences Po, 1997, pp. 273–280.

24. Nicola Phillips, "Moulding Economic Governance in the Americas: U.S. Power and the New Regional Political Economy," in Michèle Rioux (ed.), *Building the Americas,* Bruxelles, Bruylant, 2007, p. 25.
25. Richard Feinberg's testimony is once again interesting. The United States wanted to label the Miami summit "Partnership for prosperity." The Brazilians fought hard to include "development." See Feinberg, *Summitry in the Americas,* p. 147.
26. It could also be mentioned that after a decade, NAFTA did not provide a very encouraging model, as far as Mexican development is concerned. See, for instance, René Villarreal, *TLCAN 10 Años Después. Experiencia de México y Lecciones para América Latina,* Bogota, Editorial Norma, 2004, or Dorval Brunelle and Christian Deblock (eds.), *L'ALENA. Le Libre-Echange en Défaut*, Québec, Editions Fides, 2004.
27. Leaving only Market Access, Dispute Settlement and Competition Policy.
28. Originally the Contadora Group was formed in 1983 by Mexico, Panama, Colombia, and Venezuela to offer a mediation channel to Central America. Four other countries (Argentina, Brazil, Uruguay, and Peru) later joined them. In 1986, the eight countries decided to create a Political Consultation and Concertation Permanent Forum (also known as the Rio Group).
29. Laurence Whitehead and Alexandra Barahona, "Las Cumbres Mundiales y sus Versiones Latinoamericanas: ¿Haciendo una Montaña de un Grano de Arena?" *América Latina Hoy*, 40, 2005, pp. 15–27.
30. See http://www.opalc.org/index.php?option=com_content&task=view&id=468&Itemid=48 (accessed on June 6, 2008).
31. A few days before, Chávez had announced the mobilization of troops along the border. See http://www.opalc.org/index.php?option=com_content&task=view&id=335&Itemid=123 (accessed on June 6, 2008).
32. FLACSO's classification includes the following items: (1) Democracy, (2) Human Rights, (3) Security, (4) Economic Integration, (5) Social Development, (6) Modernization of the State, (7) Sustainable Development, (8) International Issues, (9) Culture, (10) Others. In figure 9.1, Politics corresponds to (1) + (2) + (6); Social to (5) + (7) + (9); Economy to (4); International to (3) + (8) and Other to (10).
33. See figure 9.1 on the Web site: http://us.macmillan.com/author/olivierdabene/.
34. Composed of the following summits:

City	*Date*	*Type of Summit*
Miami (United States)	December 9–11, 1994	First Summit of the Americas
Santa Cruz de la Sierra (Bolivia)	December 7–8, 1996	Summit of the Americas on Sustainable Development
Santiago (Chile)	April 18–19, 1998	Second Summit of the Americas
Québec (Canada)	April 20–22, 2001	Third Summit of the Americas
Monterrey (Mexico)	January 12–13, 2004	Special Summit of the Americas
Mar del Plata (Argentina)	November 4–5, 2005	Fourth Summit of the Americas

See the official Web site: http://www.summit-americas.org/ (accessed on June 6, 2008).

35. See the official Web site: http://www.summit-americas.org/miamiplan.htm (accessed on June 8, 2008).
36. See the official Web site: http://www.summit-americas.org/miamiplan.htm#APPENDIX (accessed on June 8, 2008).
37. Feinberg, *Summitry in the Americas*, pp. 161–162.

38. Roberto Patricio Korzeniewicz and William Smith, "Protest and Collaboration: Transnational Civil Society Networks and the Politics of Summitry and Free Trade in the Americas," *The North South Agenda Papers*, 51, September 2001.
39. Making democracy work better; Human rights and fundamental freedoms; Justice, rule of law and security of the individual; Hemispheric security; Civil society; Trade, investment and financial stability; Infrastructure and regulatory environment; Disaster management; Environmental foundation for sustainable development; Agriculture management and rural development; Labor and employment; Growth with equity; Education; Health; Gender equality; Indigenous Peoples; Cultural diversity; and Children and youth.
40. Composed of past and present hosts of the Summits (in Québec, United States, Chile, and Canada).
41. With Canada, Chile, the United States, Argentina, Mexico, and Brazil, and one representative from Central America, CARICOM, the Rio Group, and CAN.
42. See the official declaration on FTAA's official Web site: www.ftaa-alca.org/Ministerials/Miami/Miami_e.asp (accessed on June 20 2008).
43. Mónica Serrano rightly points out that despite several proposals made for instance by Venezuela (an Inter-American fund), the final declaration "comes out of a good governance manual: 'each country has primary responsibility for its own economic and social development through sound policies, good governance, and the rule of law' " (Mónica Serrano, "Conclusion: The Americas and Regional Dis-integration," in Louise Fawcett and Mónica Serrano [eds.], *Regionalism and Governance in the Americas. Continental Drift*, New York, Palgrave Macmillan, 2005, p. 275).
44. Point 19A: "Some member states maintain that we take into account the difficulties that the process of the Free Trade Area of the Americas (FTAA) negotiations has encountered, and we recognize the significant contribution that the process of economic integration and trade liberalization in the Americas can and should make to the achievement of the Summit objectives to create jobs to fight poverty and strengthen democratic governance. Therefore, we remain committed to the achievement of a balanced and comprehensive FTAA Agreement."

    Point 19B: "Other member states maintain that the necessary conditions are not yet in place for achieving a balanced and equitable free trade agreement with effective access to markets free from subsidies and trade-distorting practices, and that takes into account the needs and sensitivities of all partners, as well as the differences in the levels of development and size of the economies."

    Source: Declaration of Mar del Plata: http://www.summit-americas.org/Documents%20for%20Argentina%20Summit%202005/IV%20Summit/Declaracion/Declaracion%20IV%20Cumbre-eng%20nov5%209pm%20rev.1.pdf (accessed on June 8, 2008).
45. Other than OAS and IADB, the other partner organizations of the Summit process are: CEPAL, World Bank, OPAS, Inter-American Institute for Cooperation on Agriculture (IICA), Andean Development Bank (CAF), Central American Bank for Economic Integration (BCIE), Caribbean Development Bank (CDB), International Organization for Migration (IOM), International Labor Office (ILO), Institute for Connectivity in the Americas (ICA).
46. See, for instance, OAS, *Achievements of the Summits of the Americas. Progress since Mar del Plata, Report of the Joint Summit Working Group,* Washington, DC, 2007, pp. 83–84.
47. Andrew Hurell, "Hegemony and Regional Governance in the Americas," Global Law Working Paper 05/04.
48. Stephen Clarkson, *Uncle Sam and Us. Globalization, Neoconservatism, and the Canadian State*, University of Toronto Press, 2002, pp.41–42.
49. Philipps, "Moulding Economic Governance in the Americas," p. 35.

50. Mario Pujols, "Detrás de Bastidores: Percepción del Sector Privado Dominicano Frente a las Negociaciones del DR-CAFTA y del EPA," April 2008, http://www.opalc.org/images/INRE/pujols.pdf, (accessed on June 25, 2008).
51. Alba in Spanish means dawn.
52. See the historical references on ALBA's official Web site: http://www.alternativabolivariana.org/modules.php?name=Content&pa=showpage&pid=32 (accessed on June 11, 2008).
53. Interview with Osvaldo Martinez, president of the Economic Commission of the Cuban Parliament and director of Center for World Economy Studies (CIEM), La Havana, Cuba, February 20, 2008.
54. The "Barrio Adentro" Mission is a social program providing free basic health care to poorest sectors of the population.
55. See the text of the Agreement on ALBA's official Web site: http://www.alternativabolivariana.org/modules.php?name=News&file=article&sid=81 (accessed on June 11, 2008).
56. See chapter eight.
57. Between September 2006 and November 2007, 673 projects were selected and granted a total amount of US$15 million. The Venezuelan Bank for Social and Economic Development (BANDES) administers the payments, sometimes with delays. See "El Alba-TCP No Cumple Expectativas del Gobierno," *La Razón*, La Paz, Bolivia, October 23, 2007; "El TCP-Alba Dará US$9.5 Milliones Hasta Fin de Año," *La Razón*, La Paz, Bolivia, October 24, 2007.
58. Carlos Romero, *Jugando con el Globo. La Política Exterior de Hugo Chávez*, Caracas, Ediciones B, 2006.
59. As of June 2008, the Brazilian Senate had not ratified Venezuela's adhesion. Therefore, Venezuela was still not legally a member of MERCOSUR.
60. Cusco, Peru (December 8, 2004), Brasilia, Brazil (September 30, 2005), Cochabamba, Bolivia (December 9, 2006), Margarita, Venezuela (April 17, 2007).
61. See the text on the Brazilian Ministry of Foreign Affairs' site: http://www.mre.gov.br/portugues/imprensa/nota_detalhe3.asp?ID_RELEASE=5466 (accessed on June 24, 2008).
62. Figure 9.2 is available online at http://us.macmillan.com/author/olivierdabene/. This figure is exploratory. My intention is no more than suggesting further discussions. For each variable, I gave a coefficient between one and four to each regional grouping, based on the previous chapters' developments. "Level" corresponds to the degree of institutionalization; "Scope" to the number of issue areas included in the agenda; "Actors" to the importance of non State actors (the higher the coefficient the higher the participation of civil society); and "Policies" to the type of integration (the higher the coefficient the more positive the integration).

Conclusion

1. See Olivier Dabène, *Amérique Latine. Les Elections contre la Démocratie?* Paris, Presses de Sciences Po, 2008.
2. *Tenemos que bajar el umbral de las expectativas*, said Peruvian minister of foreign affairs Fernando García Belaunde in a conference in Paris, on November 16, 2007.

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