Latin American Integration: Regionalism *à la Carte* in a Multipolar World?

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ABSTRACT: This article presents an analysis of the different approaches proposed by authors who have done research on Latin American integration and regionalism, and suggests that there are three competing initiatives of integration and regionalism in the third wave of Latin American integration: Post-Liberal Regionalism contained within UNASUR and ALBA, Open Regionalism Reloaded in the region through the Pacific Alliance, and Multilateralism or Diplomatic Regionalism with a Latin American flavor envisaged in the recently created CELAC. The study concludes that these new developments of a regionalism *à la carte* are a product of dislocation of the economic agenda of regionalism towards a set of diverse issues. Hence it demands a rethinking of the theorization of Latin American Regionalism.

KEYWORDS: Latin America • Regionalism (*Thesaurus*) • integration • UNASUR • Pacific Alliance • CELAC (*authors*)

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Integración latinoamericana: ¿Regionalismo à la Carte en un Mundo multipolar?

RESUMEN: Este artículo analiza las diferentes perspectivas propuestas por investigadores sobre integración en América Latina y sugiere que hay tres iniciativas concurrentes de integración y regionalismo durante la tercera ola de integración latinoamericana: regionalismo post-liberal, sostenido en la UNASUR y ALBA; regionalismo abierto reforzado, que ha sido reinsertado en la región por medio de la Alianza del Pacífico, y el multilateralismo o regionalismo diplomático que contiene un tinte latinoamericano y que se perfila en la recién creada CELAC. El documento concluye que estos nuevos acontecimientos representan un regionalismo à la carte producto de un desplazamiento de la agenda económica del regionalismo latinoamericano hacia un conjunto de temas diversos que obligan a repensar la teorización sobre este fenómeno.

PALABRAS CLAVE: Regionalismo • integración • América Latina (Thesaurus) • UNASUR • Alianza del Pacífico • CELAC (autores)

Integração Latino-americana: Regionalismo à la Carte em um mundo multipolar?

RESUMO: Este estudo analisa as diferentes perspectivas propostas por autores de investigação sobre a integração latino-americana e sugere que existem três iniciativas simultâneas de integração e regionalismo durante a terceira onda de integração latino-americana: pós-liberal, regionalismo realizado na UNASUL e ALBA, regionalismo aberto reforçada, o qual foi re inserido na região através da Aliança do Pacífico, e do multilateralismo diplomática ou regionalismo contendo um sabor latino-americano e que é descrito no CELAC recentemente criado. Esta pesquisa conclui que estes novos desenvolvimentos por meio de um regionalismo à la carte é o resultado de um deslocamento da agenda económica do regionalismo latino-americano a um conjunto diversificado de temas. Portanto, este processo requer repensar teorizar regionalismo latino-americano.

PALAVRAS-CHAVE: Regionalismo • integração • América Latina (Thesaurus) • UNASUL • Aliança do Pacífico • CELAC (autores)
Introduction

Latin American regionalism has experienced three waves in the post World War II period. The first wave, known as old regionalism, took place from the 1950s through the 1980s and was characterized by a state with an active role in regionalism in which import-substitution industrialization (ISI) and the quest for a larger regional market to cultivate a demand for value-added products of the region were key components of regional initiatives. At that point, the main objective of Latin American integration was to support industrialization as this process took place under the guidance of developmentalist states in the region.

The second wave, also known as new or open regionalism, started at the beginning of the 1990s. It is still influential in some Latin American countries although others in the region have refocused their strategies. The open regionalism model was based on the premise that unilateral trade liberalization was the key to enhancing more efficient participation of Latin American countries in the global economy through exports. Open regionalism created new sub-regional agreements such as the Common Market of the South (MERCOSUR) and the Andean Community, which was re-launched in the 1990s and later resulted in a complex web of intra- and inter-regional preferential trade agreements. All these agreements took place after the collapse of the Soviet Union and the end of the Cold War, which at that point had marked the triumph of neoliberal capitalism (Meyer MacAleese 2014).

In 1994, when negotiations for the Free Trade Area of the Americas (FTAA) began, the architecture of regional trade agreements in Latin America was simply organized geographically. Except for the North American Free Trade Area (NAFTA), trade agreements were inclined to take the European Union (EU) as the model to emulate and were conceived as custom unions or common markets. The FTAA negotiations were launched when each state was consolidating its respective institutions around core states: the United States in NAFTA and Brazil in MERCOSUR.

The eventual demise of the FTAA in 2005 and the coetaneous withering of the Doha Round in the World Trade Organization (WTO) opened up the way for a dual track on trade integration in the Western hemisphere. The US resorted to bilateral Preferential Trade Agreements (PTAs) with Latin American countries on the Pacific coast and in Central America. Chile, Mexico and Peru in particular became leaders in signing PTAs, while Brazil sought to institutionalize the South American subsystem under the MERCOSUR umbrella at first, and later under the Union of South American Nations (UNASUR) (Quiliconi 2014).
However, the regional trade liberalization that had resulted in an unprecedented expansion of intra-regional trade levels already started to stagnate by the end of the 1990s and beginning of the 2000s. Following this, regional integration in Latin America has experienced an active but fuzzy path, giving way to a third wave of integration and regionalism. In addition to the proliferation of North-South PTAs, the development of a new kind of regionalism emerged in Latin American and particularly in South America during this wave. This new type of regionalism has been referred to by different authors as post-liberal regionalism or post-hegemonic regionalism (Legler 2013; Riggiorozzi and Tussie 2012; Sanahuja 2012).

The new initiatives that were created after 2000 are the Bolivarian Alliance for the Peoples of Our America (ALBA) in 2004, the Union of South American Nations (UNASUR) in 2008, the Community of Latin American and Caribbean States (CELAC) in 2010, and the Pacific Alliance in 2012. Most of these new agreements seem to be characterized by a predominant political and strategic agenda rather than traditional trade integration objectives. Nevertheless, open regionalism, characteristic of the 1990s, has newly taken hold in the Pacific Alliance, which still adheres to some of the traditional trade integration objectives.

Even though it seems that the hemisphere is increasingly divided between two opposite models of integration (Quiliconi 2013), or in some cases, even three (Bricenio Ruiz 2013), this article argues that there has been a process in which regionalism has experienced a dislocation of the Latin American economic integration agenda. Consequently, three different types of regionalism have emerged: Post-Liberal Regionalism, Open Regionalism Reloaded, and Multilateralism or Diplomatic Regionalism with a new Latin American flavor. This process of dislocation started when the regional agenda increased its key areas from traditional trade issues to new collective concerns such as security, infrastructure, energy, and democratic governance, amongst other things. In that sense, regional initiatives in Latin America have proliferated in a sort of à la carte mode in which new institutions have been created to address different topics related to political and strategic objectives of regional leaders instead of deepening or adapting traditional regional integration initiatives focused on trade.

The problem is that in certain cases regional institutions occupy similar policy spaces, giving member states the opportunity to choose policies à la carte and leaving the regional institution to be the place for nation-states to discuss,

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1 Even though according to some authors (Leví Coral and Reggiardo 2016; Nolte and Wehner 2013), the Pacific Alliance is not part of the post-liberal regionalism, its creation does have political motives.
define and implement them. Hofmann and Mérand have referred to this phenomenon in regional politics from a neoliberal institutional perspective as “forum shopping,” arguing that “not all states within a region are members of the same institutions and some may have opted out of some policy domains within an institution,” entangling them in a web of institutions in which they “strategically choose which topic to address and in which institution, according to their interests” (2012, 134). This is the situation we see nowadays in the Latin American region, with the difference being that some new institutions and political forums such as UNASUR include all South American states, while CELAC embraces all Latin American and Caribbean states, but not all of them utilize these institutions in a similar way. Hofmann and Mérand (2012) for instance look at this phenomenon with a focus on the “European institutional architecture.”

Methodologically, this study has been assembled on the basis of one hundred reports of theoretical and empirical works on Latin American integration and regionalism published in the twenty-first century. It classified them into the different regional initiatives and based on this classification argues that first of all, three different kinds of regionalism have emerged in Latin America in the twenty-first century: Neoliberal Regionalism Reloaded, Post-Liberal Regionalism, and Multilateral Regionalism. Secondly, it asserts that they have overlapping membership and agendas. Thirdly, it claims that they have emerged in the region within the context of a multipolar world as the product of a dislocation of the agenda of Latin American economic regionalism and of the attempts of regional powers to project their leadership in economic and political terms. Consequently, they are challenged and counterbalanced by competing countries in the region and by other emerging powers.

The argument presented in this paper is developed in three sections. The first section discusses the current theoretical approaches to Latin American regionalism. The second section addresses the question of how this new multipolar world is affecting Latin American regionalism and the role played by rising regional country leaders. The third section analyzes the three types of regionalism that have emerged in Latin America. These are: Post-Liberal Regionalism as exemplified by UNASUR and ALBA; Open Regionalism Reloaded, which takes place in the Pacific Alliance; and Multilateral Regionalism as represented by the role that CELAC is playing in the region. The conclusions presented in the last section incite researchers to further theorize this development in Latin American regionalism.

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2 Even though we reviewed more than one hundred papers, we refer only to the most relevant research for our purposes.
1. Theoretical Approaches to Assessing Regionalism in Latin America in the Twenty-first Century

Looking at Latin American regionalism from the point of view of national sovereignty and a period of “post-hegemony,” Legler (2013) distinguished two opposing views in his divergent analytical works on Latin American regionalism: the skeptics and the optimists. In this study, they are referred to as the integration pessimists and the integration optimists, respectively, and they are linked to slightly diverging theoretical approaches to the study of regionalism in Latin America. In addition to these views, there is another perspective, which includes other authors who focus on proposing concepts that might help to explain new factors that are observable in the regional political practice such as the regional agreements of the twenty-first century. This group could be described as the innovators.

On one hand, by the end of the twentieth century, the assessment of regionalism in Latin America from neorealist, liberal institutional and liberal economic perspectives had evaluated the progress of regional agreements based on institutional development and trade integration standards (Mansfield and Milner 1999; Mattli 1999). Thus, the focus on traditional economic standards led various authors in that period to argue that regionalism in Latin America was condemned to failure given its level of fragmentation at that time, which was interpreted as the inability of regional projects to attain deeper integration (Bouzas, Motta Veiga and Rios 2008; Gardini 2011; Malamud and Gardini 2012).

Indeed, instead of deepening the integration process driven by regional enlargement based on economic and commercial principles, as in the European case in the 1990s and beginning of the twenty-first century, most of the new regional agreements in Latin America have focused on social and political factors that reflected common regional issues, relegating the economic integration process to a secondary factor of integration. This development in Latin American regionalism demands new theoretical explanations since the existing approaches to assessing the development of regional politics in Latin America cannot explain it further. Hence, the unfulfilled deepening of economic integration in Latin America expected by neorealist, liberal institutional, and liberal economic explanations has transformed itself into pessimistic views regarding integration of the region.

Integration pessimists argue that the proliferation of regional agreements in the hemisphere are dysfunctional and therefore unable to achieve continental unity, solidarity, or economic and social development (Gardini 2011), and that this has also undermined the effectiveness of cooperation in the region by introducing legal fragmentation and regulatory ambiguity (Gomez Mera 2014). The debate has mainly confronted the authors who criticize most Latin American
projects due to their inter-governmental nature and institutional weaknesses (Malamud and Gardini 2012; Gomez Mera 2014; Levi 2014). In such a context, Latin American regionalism is presented as a process in decline.

At the other end of the spectrum there are authors who tend to include additional factors in their analysis as a reflection on the reality of the new development of Latin American regional politics. This kind of view on Latin American regionalism has been described as the optimist view (Legler 2013). Integration optimists argue that instead of fragmentation, Latin America is experiencing regional governance in which organizations embrace different issue areas and represent different ideological political projects (Nolte 2014). In this scenario Latin American countries have the possibility of choosing which organizations and cooperation strategies fit their interests best. Indeed, there are a variety of new regional organizations in Latin America with diverse areas of interest and objectives such as ALBA, UNASUR, the Pacific Alliance, and CELAC.

Authors of the optimist tendency, such as Motta Veiga and Ríos (2007), Cienfuegos and Sanahuja (2010), and Sanahuja (2012), argue that the fragmentation of projects has facilitated the emergence of a post-(neo)liberal regional development agenda. This development in Latin American regionalism has shifted the focus on trade and finance that characterizes the neoliberal integration agenda, to the new political and social issues of the region. Hence, the “post-neoliberal” approach to assessing Latin American regionalism in the twenty-first century includes the analysis of a further variety of new factors which prioritizes the political agenda instead of trade and the economy, the return to a focus on social development, the role of states as the actors of regionalism, the focus on reducing asymmetries within the region and within its countries, and new forms of cooperation for development and execution of common projects of physical infrastructure that facilitate more interaction between states and their societies, among other things (Cienfuegos and Sanahuja 2010; Sanahuja 2008).

For integration optimists, success is not related to the number of attempts at regional integration. On the contrary, they believe that each project is part of aggregate experiences that are constitutive parts of the Latin American integration core (Rivarola Puntigliano and Briceño Ruiz 2013). Moreover, authors like Riggiorozzi and Tussie (2012) argue that Latin America has experienced a post-hegemonic moment in which the resilience of regionalism is understood as the capacity to recover from political, economic and social disturbances as well as regional or international crises. This shift took place in a scenario in which re-politicization has become an important feature in the region since the beginning of the new century (Dábene 2012). Latin American regionalism appears in this context as a process of resilience rather than a deepening of it.
Between these two extremes, another tendency can be identified, which is represented by the group of innovators. This group has proposed neologisms that aim to conceptualize the process of integration by looking at the complex mixture of various political actors and agendas of regionalism in Latin America. This is the case of Briceño Ruiz who first proposed this idea of a “strategic regionalism” in 2006 to explain the developments of regional integration within MERCOSUR as a reaction to the negotiation of the FTAA. Later, using the same concept in 2007, he identified a strategic alliance between the US and transnational concerns to develop and promote the FTAA.

This process, which was characterized as strategic regionalism, was proposed as an approach to analyzing the symbiosis of various regional political actors, including the participation of national businesses that projected themselves internationally, in order to explain their motivations of regionalism in South America as a reaction to the extreme competition promoted by globalization and by the US idea of the FTAA (Briceño Ruiz 2008).

On the basis of new developments in regional politics, discussed within the context of MERCOSUR and the newly created UNASUR, Briceño Ruiz (2011) also suggested the concepts of “social regionalism” and “productive regionalism.” While social regionalism seeks to explain regional integration as a mechanism for cooperation between states to reduce asymmetries and for the execution of social policies of collective interest, productive regionalism focuses on the analysis of integration as a means of promoting industrial production and development of the member states that have the poorest production and lowest development levels (Briceño Ruiz 2011).

In light of these analyses, Carranza (2014) argues that resilience and decline have become the two opposite mantras to judge the performance of regionalism in this debate. However, he argues that neither of these concepts is “an all-or-nothing” situation, but simply a matter of degree. This debate is even more opaque because it is necessary to clarify the concepts used in the debate to measure the failure or success of regional integration. Thus, whereas the pessimists argue that regionalism in Latin America is in decline, those that have a positive view of this new moment argue that new regional governance is emerging. Resilience is thus understood as the capacity to recover from the politicization of regional integration processes (Dabène 2012), which has opened the door to creating a new South American and Latin American space in the context of a multipolar world.

Vivares also points out that the assessment of the state of regionalism depends on the ontological paradigm with which we analyze the topic. He argues that “regionalisms are political projects addressed by the traditional research focus
on interstate integration, while regionalization alludes to processes and structures that cut across national state frontiers” (2013, 11). In that sense, there is a strong tendency in regional literature to analyze regionalism as a state-led process that needs to pursue growing economic interdependence. In a similar vein, the traditional idea of what can be considered a region had already been proposed in the 1960s as a group of states in close association and geographical proximity which also experience a high level of interdependence (Nye 1965).

Nonetheless, at a time when globalization has become a common feature of any regional experience, Söderbaum (2011) argues that regions are becoming a sort of middle structure between societies and world orders. Thus the concept of region has also become more complex than before, as it explains on one hand the relationship between regions and world orders and, on the other, between state and non-state actors. In this fuzzy new world, regions have become more heterogeneous than before, encompassing imprecise and dynamic geographical limits.

Given these new concepts, it is important to remember Phillips’ suggestions (2005) to take into account that regional governance is linked to the way power is exercised in a region. In that sense, the spread of new forms of regionalism in Latin America since the year 2000 is also a product of the way in which Latin American countries are facing a new multipolar world and in which regional leaders are competing through alternative regional projects, as will be explored in the next section. To conclude, these divergent views also reflect the lack of a general theory of regionalism and the need for a clear theoretical explanation of the latest developments in Latin American regionalism.

2. Latin America Facing a Multipolar World: Any Role for Regional Leaders?

The proliferation of different types of regionalism is mainly due to the divergent political trajectories of the Latin American countries. The overall dominant neoliberal ideology that prevailed in the 1990s was replaced in some countries by progressive governments that rejected the ideas of the Washington Consensus. The regional landscape is thus divided into two groups: in geopolitical terms, the majority of the countries facing the Pacific, except Ecuador, have sided with the US and PTAs led by the European Union. They have continued to embrace the open regionalism principles, whereas the countries that face the Atlantic, particularly in South America, have generally maintained their previous regional commitments while including new social agendas.

The inclusion of social and political agendas has transformed the open regionalism of the 1990s into what some authors call post-liberal regionalism,
under Brazil’s leadership, or even more extreme versions of post-hegemonic regionalism under Venezuela’s leadership until the death of Chávez (Legler 2013; Riggiorozzi and Tussie 2012). These projects have economic, social and political characteristics, and most of them have retained enough room for the state to play an active role in order to maneuver developmental politics and politics of regional autonomy, particularly in relation to the US.

This shows a new momentum in the international sphere: the first and second waves of regionalism in Latin America took place during clear hegemonic moments in which the United States had a clear interest in continuing to lead the region. On the other hand, the latest wave of regionalism is the fruit of a multipolar and post-liberal order. Within this new order, the Latin American countries are ideologically divided between those that still support open regionalism initiatives, characteristic of the region in the 1990s, versus those countries that have adopted post-neoliberal policies to different degrees. The post-neoliberal policies have enabled the state to come back as a key international actor in many development aspects, including regional initiatives.

In political terms, the regional initiatives developed within ALBA, CELAC and UNASUR go beyond the traditional topics of trade and finance liberalization to embrace political, social and development issues. This new momentum in the regional agenda in Latin America is marked by the decline of US leadership in global and regional terms vis-à-vis the emergence of Brazil, Russia, India, China and South Africa (BRICS) as global actors and their role as regional powers.

Many authors argue that in this multipolar moment, regions are experiencing a reconfiguration as political authority becomes more diffuse. As Acharya (2012) argues, the rise of emerging powers such as Brazil, India and China, among others, opens up space for redefining the purpose and role of regionalism and its institutions either by strengthening or weakening them. As many rising powers are also regional powers, e.g. Brazil in South America, this new phenomenon in combination with the ideas of a multilateral world order have led some authors to argue that the multipolar moment creates opportunities to strengthen regional organizations. Consequently, there is a trend towards a more regionalized international order (Acharya 2014; Buzan 2011).

However, the experience in Latin America at least seems to challenge this view, given the dubious leadership role of Brazil in the region. On one hand, Brazil shows its power in the South American political regional sphere using UNASUR as its platform. On the other hand, Brazil has weakened its commitment towards MERCOSUR and has been pondering the idea of signing a bilateral PTA with the EU after having signed a strategic partnership agreement in 2007.
Wehner points out that the “three underlying principles of Brazil’s foreign policy have been autonomy, universalism and grandeur” (2011, 145). The first principle has led Brazil to keep its room for maneuver in external relations in order to guarantee its global actor status; the second aims to maintain harmonic relations with all countries regardless of their political regime and economic model (Gomes Saraiva and Malamud 2009), while the third is conceived as Brazil’s destiny. In addition to this, under the administrations of Collor de Mello (1990-1992), Franco (1992-1994), and Cardoso (1995-2002), globalization dynamics were also incorporated in Brazil’s foreign policy. The idea of autonomy was enhanced through integration, particularly by operationalizing it with the creation of MERCOSUR in 1991.

This trend was extended under Cardoso’s second administration while Brazil started paying more attention to the region. Within this process the idea of South America as a single region was developed as a lever to support Brazil’s status as a regional/global power. This tendency was strengthened even further under the Lula administration (2003-2011) as Brazil’s quest for South American regional leadership intensified.

However, as Cervo and Lessa (2014) argue, Brazil lost steam in positioning itself as an ascending emerging power between 2011 and 2014. Until 2010 Brazil had nurtured its self-perception and shown its image abroad as a dynamic country due to three main characteristics: economic and political stability, the inclusion of millions of poor people into Brazilian society through social policies, and an assertive foreign policy that repositioned Brazil in the world through the dynamic internationalization of Brazilian firms.

Notwithstanding all of this, under the Rousseff administration Brazil’s dynamism as an emerging country has stalled. Cervo and Lessa (2014) even mention an international decline of Brazil due mainly to domestic causes, namely scarce dialogue between the government and the dynamic sectors of society that ended up in a breakdown of investors’ and businessmen’s confidence in the government as well as a number of corruption scandals that undermined Rousseff’s credibility during her second term. In addition to domestic changes, Rousseff intended to continue with Brazil’s globalist vocation using regional blocks, coalitions and bilateral partnerships to advance this objective. Brazil has widened its close sphere of influence from MERCOSUR to UNASUR and even CELAC, taking regionalism as a step in the construction of its regional leadership. In this sense, Rousseff continued Lula da Silva’s universalistic momentum, but Brazilian economic agents have hesitated between favoring regional or extra-regional trade given the weaknesses of regional institutions.

There is also a domestic confrontation between liberals and nationalists, which contributes to weakening Brazilian commitment to regional projects. This
reveals that regionalism is still under construction in the South American region. In addition, Brazil has experienced two new, intertwined phenomena since 2000. There has been a phenomenon of local de-industrialization and a process of re-location of its economy focusing on the production of primary commodities for export. For example, manufacturing products were 59.1% of total exports in 2000 but fell to 44% in 2009. The five main export commodities represented 28% of total exports in 2005 while they increased to 47% in 2011 (Cervo and Lessa 2014).

Despite such backdrops of some rising powers, the emergence of multipolarity in the world seems to have generated powerful centrifugal forces within regions (Garzón 2015), as has been pointed out in the case of Brazil. On the other hand, the rise of new, intermediate regional powers and their focus on regional projects also tends to create divisions within regions. This can also be seen in Latin America where there are extreme divisions exemplified by many overlapping and contrasting regional initiatives *vis-à-vis* the dubious regional leadership role of Brazil. As Wehner has argued, that country has become an entrepreneurial leader, assuming a “role based on the nation’s consensus, dialogue, inclusiveness and mediation without enforcing conformity and cooperation from neighboring countries” (2011, 151).

In most of the literature on the subject, regions in a multipolar world are thought to play two opposite roles. On one hand, some authors consider that, in a multipolar world where one or two new superpowers compete with the current superpower, regions are expected to play a similar role of hegemonic regionalism in which, once they are defined, the hegemons delineate regional institutions and regionalization dynamics (Acharya 2009 and 2014). On the other hand, other authors consider that the geopolitics of regions matters in a way in which unipolarity can only be replaced by a multipolar order that emerges through regional unification or the emergence of regional unipolarities (Wohlforth 1999).

In a similar way, Buzan (2011) argues that the most likely scenario for the transition from unipolarity to multipolarity is a world order with no superpowers but a group of great powers. In this view, a more regionalized international order will emerge as the removal of a superpower may allow the ascent of regional powers in their regions (Buzan 2011). Acharya (2009 and 2014) also argues that the upcoming international system can best be characterized as one of regiopolarity rather than multipolarity, expecting that emerging powers will remain embedded in their regional strategic and economic contexts. This notion has become more popular given the EU crisis, the inability of the US to shape any regional order and the inability of China to make important allies (Garzón 2015). However, the regiopolarity viewpoint has remained unchallenged even though there are no clear indications that this scenario is the most plausible one,
particularly in Latin America, where Brazil does not seem to fit this role. As a way to test some of these theoretical views, Chen and De Lombardè (2014) measured the hubness of regional powers in order to capture the relative degree of market interdependence between a regional power and its neighbors. They have measured this for the BRICS and their regions using UNASUR as a proxy of the regional institutions in Latin America. These authors have demonstrated that in the case of UNASUR, regional states were generally more dependent on Brazil in the year 2000 than in 2010, thus showing that the market dependence of regional countries on the regional power (Brazil) has been decreasing.

Important Latin American countries such as Argentina, Ecuador, Paraguay, Uruguay and Venezuela and the ones that are politically quite close to Brazil have all decreased their dependence on the Brazilian market. The authors also found that increased participation of regional powers in global markets does not encourage them to import more products from other countries in their regions. On the contrary, neighboring countries seem to be importing more from extra-regional suppliers, a symptom that their role in intra-regional trade is decreasing. This is due in part to the fact that small and medium-size countries in the region are increasing their trade and cooperation relationships with extra-regional powers. Of particular relevance in commercial terms for many of these countries is the intensification of trade and Foreign Direct Investment (FDI) flows with China.

Given this scenario in which Brazil seems to have incrementally disengaged commercially from its regional partners, there has been an interesting proliferation of political initiatives as well as reconfiguration of some of the preexistent objectives of regional agreements such as MERCOSUR. Particularly within this regional integration process, there has been a shift of focus from trade issues towards convergence and social issues even though the progress on those new commitments is still dubious.

The same tendency can be seen in most of the regional organizations created in the twenty-first century. In the following section the four newly created regional organizations (ALBA, UNASUR, CELAC and the Pacific Alliance) will be analyzed as examples of the different types of regionalism that have emerged in Latin America within this period of regiopolarity.

3. Overlapping Organizations in Latin America: Competing Initiatives or Regionalism à la Carte?

Latin American regionalism in the twenty-first century has not been unified under a singular project. On the contrary, three types of initiatives characterize the region nowadays. Firstly, traditional sub-regional initiatives such as MERCOSUR and the
Andean Community began to change from focusing mainly on trade liberalization and financial issues to incorporating social and political agendas. This tendency can be seen particularly in left-wing countries that had original visions of regional agreements as theorized by Bela Balassa in the 1960s, but began to incorporate more political and social issues by the beginning of the new century (Balassa 2013).

MERCOSUR is a good example of the shift in agenda: the creation of the Structural Convergence Fund, the Social Institute of MERCOSUR, and the Institute of Public Policy in Human Rights are examples that show this new trend. This tendency to enhance social and political regionalism is what has characterized the creation of ALBA (2004) and UNASUR (2008). Those agreements are considered post-liberal initiatives since they do not support neoliberal policies as in the 1990s and are mainly based on sectoral cooperation and political issues. This trend has been affected by the recent political changes in Argentina and Brazil.³

Second, many PTAs have emerged since the beginning of the 1990s, not only in reaction to the failure of FTAA negotiations in 2005 but also as a way of deepening the export-oriented strategies that countries introduced in the 1990s. Those PTAs have particularly intensified in the 2000s with the characteristic of crossing the North-South divide. This is what has been referred to in this study as neoliberal regionalism reloaded, which was particularly enhanced in the Latin American sphere by the creation of the Pacific Alliance.

Third, a new type of multilateral regionalism has recently emerged in Latin America. As Saltalamacchia Ziccardi argues, “the general concept of multilateralism, for its part, also alludes to the existence of a collectivity of states, but membership in this group is not necessarily linked to a criteria of geographical-spatial location or of identity. In this sense, the multilateral forms can either be global or can belong to subsets of regional and subregional range” (2014, 4). CELAC has become the new organization that encourages “unity in diversity” for all Latin American states, establishing a common framework for cooperation and consultation.

The new initiatives, except for the Pacific Alliance, seem to be based on positive integration, namely a new regional integration based on political issues, promotion of regional interdependencies, and cooperation in various sectoral areas such as infrastructure, finance, security, education and democratic stability, among other things (Sanahuja 2010). In contrast to economically driven regionalism, the new initiatives are embedded in a “re-politicization” (Dabène 2012) in Latin America in which the overlapping existence of economically and politically

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³ Argentina experienced a change of administration from a left-wing government to a right-wing government in December of 2015, and Brazil’s president Dilma Rousseff was impeached in September of 2016 in a process that has enabled a right-wing coalition to come to power.
driven regional initiatives reflects the alternative ideologies that have prevailed in the region and ended up creating a complex geopolitical map of variable geometry where various alternative projects coexist (Sanahuja 2014).

Dábene (2009) has referred to all of these institutional transformations as institutional isomorphism. In fact, Grabendorff (2015) argues that efforts to build new regional governance in the last decade have only been an expression of the autonomy that progressive governments were favoring rather than an arranged regional reaction to face the new multipolar moment. Moreover, this paper argues that the proliferation of regional institutions in the 2000s opened up a new menu of alternative and complimentary forums to pursue different objectives. The selective use of each initiative varies in accordance with the political tendencies of the government and the main objectives that have been established in each institution. Hence, Latin American regionalism presents à la carte options that each country is able to select according to its own national interests. In that sense, membership does not necessarily entail use of the institutions, as we argued before, and some countries may opt out of some policy domains strategically by choosing what agenda to address in each institution. The following sub-sections will focus on each of these institutional trends in order to highlight the overlapping areas and the fuzzy process of Latin American regionalism in the twenty-first century.

a. Post-Liberal Regionalism: UNASUR and ALBA

UNASUR has become the most significant experience of this new regionalist moment in Latin America. Since the early 1990s, many Brazilian administrations have started to mention a South American space. For instance, when Cardoso was the Brazilian Foreign Minister, he mentioned the notion of a “South American platform” (Cardoso 1994, 185) and later, as president, he considered MERCOSUR to be “a pole from which we will organize the South American space” (Cardoso and Pompeu de Toledo 1998, 127). MERCOSUR was thus seen as an alternative hub from which Brazil would build its sub-regional pole of attraction in the hemisphere so as to create obstacles to US policy diffusion of PTAs in South America.

In 2000, a political and tangible consolidation of this idea was crystallized when Brazil brought all South American leaders together for the first time at a conference in order to discuss a variety of issues pertaining to that regional sub-system. By curtailing the initiative to South America, Brazil tacitly recognized the limitations to its influence over the rest of Latin America and acknowledged the divergent economic interests in the region. This initiative led to the creation of the South American Community in 2004, later called UNASUR.

Burges argues that the 2000 meeting was “the first exclusive gathering of South American presidents, giving symbolic gravitas to South America as a
viable geopolitical entity” and its outcome suggested “an implicit acceptance of the consensual leadership role that Brazil had been accruing over the previous six years” (2011, 59). MERCOSUR constituted the inner circle of UNASUR, but UNASUR became the primary focus for Brazil in terms of regionalism, particularly under the Lula administration.

By the beginning of the 2000s, and after the Brazilian and Argentinian devaluations, it became clear that MERCOSUR was not delivering the expected benefits, at least not for the smaller countries in the initiative, namely Paraguay and Uruguay. The integration agreement stagnated when their mutual understanding and cooperation deeply declined, giving way to growing mistrust due to implementation problems, unilateral measures and case-by-case enforcement. However, President Cardoso considered the 2000 summit to be a moment of reaffirmation of South America’s identity as a region, adding that a free trade agreement between MERCOSUR and the ACN would be the backbone of South America as an extended economic space, a project that stalled as the UNASUR agenda evolved in a different direction.

Although its institutional density is still incipient, UNASUR has developed an important number of agreements, forums and administrative organs. It has been driven by Brazil —the regional power in Latin America— and its political allies —the countries that have been critical of neoliberal agreements and PTAs with the US. In that sense, UNASUR has become the favorite regional arena in which Brazil has decided to strengthen its power to confront the global hegemon, a battle that was previously played out through MERCOSUR while the project of signing the FTAA was still alive. In fact, “the passage from MERCOSUR to UNASUR was mainly driven by the counterpoint between US plans to expand NAFTA into a hemispheric-scale economic bloc, and Brazil’s effort to parry US ambitions and assert itself as a regional [...] power” (Espinosa 2014, 37). The challenge of the FTAA led Brazil’s leaders to move to strategic regionalism that envisioned Brazil as the axis of a subcontinental region that would receive Brazilian investments and industrial exports, boosting the country not only in economic terms but geopolitically as well (Briceño Ruiz 2006).

Brazil’s geopolitical definition of a South American space was reinforced in various dimensions: security through the Defense Council, democratic stability through mediation in political crises in South America, as well as infrastructure and energy through cooperation, among other topics. In many of these sectors Brazil’s infrastructure and energy multinationals have been very important actors pushing regionalization at the South American level with the support of the Brazilian Public Development Bank (BNDES) (Pinheiro and Gaio 2015). In this
sense, Tussie (2009) also argues that until recently UNASUR became a political project to keep the US out of the region in relation to strategic topics.

Even though UNASUR was officially established in 2008, the organization included the previous policies and structures agreed upon under the auspices of the Community of South American Nations. For example, UNASUR incorporated IIRSA (Initiative for the Integration of the South American Regional Infrastructure), which turned into a public-private association closely related to Brazil’s developmentalism that enhances interstate cooperation to pursue infrastructure ventures in the region.

However, as was pointed out previously, Brazil’s commitment as a regional leader began to diminish during the first Rousseff administration, not because it was uncontroversial previously, but because more doubts about UNASUR’s importance for Brazil arose during that time. The lack of leadership deepened even more with the political shift in Argentina and the Venezuelan crisis, which vis-à-vis Rousseff’s final impeachment in August of 2016 cast a cloud on the path to consolidation of the South American regional project.

Furthermore, Brazilian leadership through the South American Community of Nations was also challenged in the region by the creation of the Bolivarian Alliance for the Peoples of Our America (ALBA) in 2004 under Venezuelan leadership that promptly became an alternative in 2002 to the FTAA negotiations led by the US. The group emerged as the result of a joint agreement led by late Venezuelan President Hugo Chávez and Cuban leader Fidel Castro, and ALBA has grown from two to eight member countries since its creation.4

In December of 2004 the initiative was consolidated with a clear ideological bias against capitalism and has as its main objective the promotion of a new integration model based on solidarity, complementarity and cooperation (Briceño Ruiz 2013). ALBA has created grand-national firms that involve cooperation among the members’ state-owned enterprises to develop joint economic and industrial projects. It has also created an economic zone known as Eco ALBA, a Unique System of Regional Compensation (SUCRE), and the consolidation of “Petrocaribe,” which highlights energy cooperation among its members.

4 Antigua and Barbuda, Bolivia, Cuba, Dominica, Ecuador, Nicaragua, Saint Vincent and the Grenadines, and Venezuela. Honduras was also a member, having joined in 2008 under President Manuel Zelaya, but withdrew in 2009 after Zelaya’s ouster. At the eleventh Summit in February 2012, ALBA granted the ascension of Suriname and St. Lucia as guest members—a prerequisite for full-fledged membership. Haiti, an observer since 2007, was confirmed as a permanent observer during the summit and has also expressed interest in becoming a full member. Iran and Syria are observers.
This initiative has never constituted a traditional economic integration agreement due to its own anti-capitalist and anti-imperialist nature, but it was nonetheless a platform through which Chávez projected his power in the region based on shared ideological identities with its partners and counterbalancing Brazilian leadership. Moreover, Venezuela left the Andean Community in 2006 due to disagreements with Colombia and Peru, both of which had signed PTAs with the US. Venezuela formally asked for full membership in MERCOSUR and its incorporation was finally crystallized in June 2012, when Paraguay—which had systematically resisted Venezuela’s access—was suspended from MERCOSUR due to an institutional coup. Venezuelan membership in ALBA and MERCOSUR does not seem to be compatible since many commitments in MERCOSUR might make compliance difficult for that country (Quiliconi 2014). Furthermore, given Chávez’s death and the current governance problems in Venezuela, the outlook for the alliance is uncertain.

Both the UNASUR and ALBA projects can be characterized as post-liberal regionalism in the sense that they address development concerns through sectoral policies that do not include trade or financial liberalization and are a reaction to the neoliberal agenda that was promoted during the 1990s. While infrastructure and energy have become key sectors for UNASUR, monetary and financial aspects have been the sectors that show the highest levels of cooperation within ALBA.

b. Open Regionalism Reloaded: The Pacific Alliance

Despite being the only one of all these organizations that seems to favor deep economic liberalization, the Pacific Alliance has also been created with political aims given the changing regional and global scenarios. This initiative has two main purposes. The first is to consolidate a Latin American group of countries that still implement the typical neoliberal policies from the 1990s and that have locked into those reforms by signing North-South PTAs with the US and the EU and are currently expanding these agreements to the Asia-Pacific region. In fact, many of the members are currently part of the Trans-Pacific Partnership (TPP) initiative and the Asia Pacific Economic Cooperation (APEC) agreement. As Leví Coral and Reggiardo (2016) argue, the Pacific Alliance is a form of open regionalism that clearly differs from post-hegemonic/post-liberal regionalism. However, we argue that this kind regionalism goes beyond the classic open regionalism of the 1990s, including a political agenda that is a response to the rise of the Pacific axis.

Second, the Pacific Alliance is also a response to the proliferation of regional initiatives generating a new soft balancing in Latin America. While it excludes Brazil, which does not share its neoliberal development strategy, it brings Mexico back into the region and in relation to South America as a subtle way of
counterbalancing Brazilian influence. In that sense, as Nolte and Wehner (2013) point out, the Pacific Alliance affects Brazil’s regional power projection. At the same time, the Pacific Alliance creates greater bargaining power than any of the individual countries could have in dealing separately with China.

Since its creation, the Pacific Alliance has made important commitments and has in fact complied with them, something that is not always common in many regional agreements in the region. Working groups are moving forwards on issues of general cooperation, services and investments, movement of people, and trade and integration. Visas were eliminated among the member countries in November of 2012.

This progress has been possible because the Pacific Alliance members have reached a consensus on a model of economic and political integration aimed at attracting investment and creating export platforms for the global market. All have opted for a pragmatic relationship structured around bilateral PTAs with the US, the EU, and Asian countries. Panama and Costa Rica, though currently observers, are expected to become full members once trade agreements are signed with the four founding countries. Observers include a total of 49 countries. Among the countries in the Western Hemisphere, Argentina, Canada, Costa Rica, the Dominican Republic, Ecuador, El Salvador, Guatemala, Haiti, Honduras, Panama, Paraguay, Uruguay, the US, and Trinidad-Tobago are observers. Membership will also be open to Uruguay and Guatemala if they sign FTAs with the founding members.

Moreover, the Pacific Alliance has made progress in removing tariffs and rules of origin that have blocked the development of regional economies of scale in various sectors such as the airline industry, financial and electrical integration, e-commerce and infrastructure. They are currently negotiating the elimination of obstacles that prevent cross-border investment, academic exchanges and tourism. In addition, they are looking for ways to enhance cooperation on environmental and social issues, as well as scientific and technological innovation. In 2012, the Alliance formed a business council and began police and customs cooperation to track cross-border criminal activity. In conclusion, even though the main principles are based on neoliberal premises, the agenda transcends classic trade and financial issues.

c. Multilateralism or Diplomatic Regionalism with a New Latin American Flavor: CELAC

CELAC has as its predecessor the Río Group, an international organization of Latin American and some Caribbean states that was created in 1986 and supported by Argentina, Brazil, Colombia, Mexico, Panama, Peru, Uruguay and Venezuela. To some extent, the Río Group was perceived as an alternative body to the
Organization of American States during the Cold War. Since that body was dominated by the US, the Contadora Group and the Rio Group challenged US military interventions in Central America, claiming to have “regional solutions to regional problems” (Meyer McAleese 2014; Tokatlian 2010).

In 2008 the First Summit of Heads of States of Latin America and the Caribbean (CALC) took place. This summit had as its antecedent the Rio Group meetings. The second summit took place in 2010 under Mexico’s presidency of the Rio Group and it was named the “unity” summit because they decided to undertake an initiative with regional scope that would bring together the 33 Latin American and Caribbean countries for the first time. These two summits were key events in creating the Community of Latin American and Caribbean States (CELAC) that was officially launched at the third CALC summit in 2011. Since then CELAC has held four summit meetings in Santiago de Chile, Havana, San José de Costa Rica, and Quito, respectively.

Like the Rio Group, CELAC also represents a challenge to the already weak Organization of American States. It is the only initiative that gathers all South American and Caribbean countries through summit diplomacy with a strong role played by regional presidents that sets the regional foreign policy agenda in many of the current regional initiatives.

According to Sanahuja (2014), the relevance of CELAC is related first to its regional scope with the intention of acting as a common framework for cooperation and consultation based on the slogan “unity in diversity,” chosen by the leaders to represent the main meaning of CELAC. Second, CELAC brings Cuba back into the international forum as a strong sign of the region’s autonomy with respect to the US. Third, CELAC reclaims the historical legacy of unionism and a common Latin American identity to empower the region’s role in international and regional matters, also bringing Mexico back into the fold after it had been isolated from the rest of the region, within the North American space, since the signing of NAFTA. In fact, through CELAC, Mexico has found a way to access the South American diplomatic channels that had been closed to it since the creation of UNASUR (Manaut 2015).

CELAC does not compete with the regional organizations that predated it. On the contrary, it seeks to place regional organizations within a wider regional framework. It is still unclear how UNASUR and CELAC will interact, because some of their objectives, particularly the political ones, seem to overlap. UNASUR and CELAC were the fruit of a phase of growing autonomy and economic expansion, but their work agendas are different because UNASUR has been focused on infrastructure, defense and health projects, among other topics that have been affected by the crisis that many economies in the region, especially
Brazil, are experiencing. However, Llanderrozas (2015) points out that the CELAC initiative lacks such commitments, since it mainly seeks visibility, a high international profile, and representation of the region in its external relations with Europe and the BRICS.

Saltalamacchia Ziccardi (2014) argues that CELAC differs from previous regional initiatives in three ways. First, it assumes an explicitly political rationality that determines the way cooperation takes place in all areas. Second, it tries to generate a space that is autonomous from the US. And third, it acts as a platform to influence discussions on international economic and political governance in a world characterized by multipolarity or regiopolarity in which regions are defining and claiming new roles. CELAC, however, replicates the regional preference for inter-governmentalism that regionalism pessimists have criticized, thus bringing back the sense of a Latin American and Caribbean identity.

Since it is quite a new forum, the CELAC agenda is still under construction. So far the main topics addressed in the organization are related to fighting poverty and inequality in the region; fostering cooperation in science, technology, energy and infrastructure; establishing external relations with the BRICS; restoring diplomatic relations between Cuba and the US; and contributing to a resolution of the political crisis in Venezuela. CELAC’s treatment of these issues is restricted to a form of multilateralism or diplomatic regionalism with a new Latin American flavor. Some authors argue that CELAC is currently a forum for political dialogue characterized by strong presidentialism and weak institutionalism (Legler and Santa Cruz 2011).

Conclusions

ALBA, UNASUR, CELAC and the Pacific Alliance were all created in the 2000s, mainly for political purposes and in reaction to different international and regional dynamics that Latin America was experiencing. Some of them have their roots in the 1990s, e.g. UNASUR, which has been slowly consolidated since the 2000s in a regional scenario that has shifted dramatically compared to the days when neoliberal trade agreements and open regionalism were the only game in town.

In light of this transformation, a new question arises: Should ALBA, CELAC, the Pacific Alliance and UNASUR be studied as comparable expressions of regionalism? As was argued above, they all constitute new forms of regionalism that surpass the economic integration concept a la Bela Balassa that has been traditional since the 1960s.

UNASUR and CELAC incorporate a larger diversity of members, so pragmatism is a key feature in these agreements in order to avoid specific definitions
with respect to models of development or integration. ALBA and the Pacific Alliance have developed clear ideological biases since their creation; the former is an anti-capitalist initiative, while the latter clearly favors neoliberal policies.

Both UNASUR and CELAC have favored sectoral agendas for cooperation—in the fields of energy, eradication of poverty, works of infrastructure, and climate change, among other things. Nonetheless, since UNASUR was created under Brazilian leadership, it can be defined as an example of “post-liberal” regionalism (Sanahuja 2012) or “post-hegemonic” because it departs from the FTAA idea based on economic liberalization that the US has promoted throughout the hemisphere (Riggirozzi and Tussie 2012). CELAC has a different starting point: since its membership includes all of the Latin American and Caribbean countries, the initiative needs to find the lowest common denominator in order to hold opposite positions and models of development together in the same organization. In this sense, as has already been stated, in addition to its sectoral cooperation policies, the initiative seems oriented to replacing the OAS and its role in multilateral issues and regional governance.

As Sanahuja (2014) has pointed out, CELAC represents an initiative that addresses the role of “summit diplomacy” in the region with the important task of setting the foreign policy agendas of Latin America. Thus CELAC is the most encompassing initiative in Latin America and it allows for cooperative leadership between Mexico and Brazil, the two giants in the region. At the same time, CELAC brings the Caribbean in general and Cuba in particular back into the region. In this sense, CELAC’s multilateral regionalism has a twofold scope of political consultation: within the region and outside the region. However, in contrast to the OAS and UNASUR, CELAC is a non-institutionalized consultation mechanism; it does not count on any constitutive treaty, nor does it ask countries to cede any of their sovereignty.

This process of institutional proliferation has its motivations in the displacement of the agenda of Latin American economic regionalism towards a set of diverse political, security and strategic issues in the region. Moreover, the emergence of such a variety of regionalisms in Latin America is a product of the way in which these countries are facing a new multipolar world in which regional leaders are competing through alternative regional projects. In this context, Latin America seems to have been in search of different multilateral regional alternatives that have abandoned the idea of trade as the ultimate objective (Bonilla and Long 2010). In this scenario of multiple open regional avenues, each country has a multiplicity of à la carte alternatives from which to choose the organization that best suits their economic and political interests. Since regionalisms are political projects addressed by the traditional research focus on interstate integration,
while regionalization alludes to processes and structures that cut across national state borders (Vivares 2013), the current situation seems to be a construction of new regionalism through new regionalization processes that are redefining the previous “regional” identities and stimulating the projection of new actors in a multipolar world. It is possible to see a multiplicity of identities, namely a Pacific identity, a South American identity, a Bolivarian identity, as well as a new Latin American identity that previously seemed to be in crisis. All of these new developments are forcing scholars of regionalism and integration to rethink the way of theorizing Latin American regionalism.

References


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