

CONSISTENCY AND RESILIENCE THROUGH CYCLES
OF REPOLITICIZATION

Fifty years of regionalism in Latin America can be characterized by an oxymoron: consistency despite instability, resilience despite crisis. The governments have been consistent in their efforts to keep their collective endeavor afloat and have found ways of reinventing their regional agendas. Even the widely shared disappointment concerning the outcomes never totally annihilated their commitment to move on with new initiatives. Yet they were hardly capable of preventing instability and sometimes even provoked it. In parallel, the regional institutions such as the Andean Community, the Central American integration process, and the common market of the south (MERCOSUR) have been remarkably resilient to recurrent and severe crises. Defying catastrophic forecasts, not only did they manage to survive over the years, but got periodically reactivated.

In this chapter, I offer an explanation of this oxymoron, that some have referred to as a stop-and-go pattern of evolution (Schmitter 1970a; Corbey 1995), using the notion of sequences of politicization. Some classical authors (Nye 1965; Vargas-Hidalgo 1979) have considered politicization of integration issues as responsible for the failure of regionalism. In this chapter, I take issue with them, offering a distinct definition of politicization, centered on the actors' will to achieve a collective political goal through economic integration, and arguing that the degree of politicization is a good predictor of the dynamism of the processes or lack of it. I show that a strongly politicized initial phase puts an integration process on a path that is not easy to deviate from. The chapter thus shows that most Latin American integration processes were politicized during their foundational sequence, and their promoters designed institutions that proved to be very resilient in the long run. It is also suggested that high levels of politicization, or the will to renew, reinvent, and advance regional collective action, in Latin American integration have rested on those same institutions established by actors' collective commitments.¹ Finally, the process of politicization

In this chapter I draw from Dabène (2009). Previous versions of this piece were discussed during presentations at Northwestern University, Columbia University, FLACSO Quito and FLACSO Buenos Aires. I thank the colleagues and students who helped me clear up my ideas and the editors of this volume for their insightful remarks.

¹ As Pierson (2004: 43) puts it, "Stickiness is built into the design of political institutions to reduce uncertainty and enhance stability, facilitating forms of cooperation and exchange that would otherwise be impossible".

has to be understood as collective presidentialism, in open challenge to those theoretical understandings that see regionalization as non-state-led processes (see Boas et al. 2005). Collective presidentialism has assumed different levels of commitments and built agendas originally centered on free trade. Since the early 2000s, however, a new cycle of politicization manifested in new, enriched agendas of integration beyond trade-centered issues, adding commitments for deeper integration.

The chapter starts by defining politicization. It is then organized in three parts. Part I examines different sequences of integration in Central America, the Andean region, and MERCOSUR, showing how they were characterized by different levels of politicization. Part II examines collective presidentialism as an independent variable impacting the degree of politicization. Part III gives some preliminary thoughts about the current trend of post-trade integration. Fifty years of history shows that changes have always been incremental, casting some doubt on the transformative capacity of the current post-trade sequence.

3.1. POLITICIZATION OF AN INTEGRATION PROCESS

According to Haas and Schmitter (1964: 707), “politicization implies that the actors seek to resolve their problems so as to upgrade common interests and, in the process, delegate more authority to the centre.” This definition can still be considered valid, yet it probably overemphasized the importance of authority transfers. The historical sequences of integration in Latin America have very rarely yielded any such transfers. However, it did not preclude the governments from upgrading common interests. In order to better account for the sequences of integration in Latin America, I suggest paying more attention to the state and non-state actors’ intentions. Hence, I offer a slightly different definition, posing that politicization implies that the actors consider economic integration as an instrument to reach political goals, such as crisis resolution or consolidation of democracy. As corollaries, politicization also implies a commitment of key political actors sharing a conception of common interests, institutional building to embody common interests, and possible participation of non-state actors.

This definition allows a better account for the irregular patterns observed in the evolution of most regional integration processes. It also helps to avoid teleological interpretations of success or failure in the construction of regionalism. Although often mentioned in the neofunctional literature, this pattern is never satisfactorily explained. When Schmitter (1970a) describes “crisis-induced decision cycles,” or Corbey (1995) a “stop and go pattern” of European integration’s evolution, they offer rational-actor-centered explanations that underestimate the importance of the state and non-state actors’ representations. They also fail to consider the historical context the actors are embedded in. And they finally ignore the importance of external incentives.

These latter points deserve to be emphasized. Central to explaining a crisis or reactivation of an integration process in Latin America is the perception the actors

have of a change occurring at a broader level. Their decisions derive not so much from the lessons learned from past experiences within the integration process, but rather from signals received from outside the region, and the way they interpret them. Just to mention one example, at the beginning of the 1990s, the signing of the European Maastricht Treaty and the announcement by US President George Bush of an Enterprise for the Americas initiative have played a decisive role, convincing Latin American presidents to reactivate their integration processes or to launch new ones, such as MERCOSUR.

In order to grasp the full meaning of the above definition of politicization, I suggest evaluating each of its components through time, in order to unveil sequences and pinpoint critical junctures, taking into account different types of foreign or domestic incentives. The key component of the definition is instrumentalization. To assess it, I evaluate if economic integration is a means or an end. Put differently, I try to understand whether or not a group of countries is keen to build a free trade area for the sake of it, or if they have a superior political goal in mind, such as crisis resolution or consolidation of democracy. I focus on the actors' will to achieve a collective political goal through economic integration. What kind of common interests do the state actors want to push when they envision an integration process? Is their commitment genuine or fake? Do non-state actors have an interest or an incentive to get involved? Finally, regarding institutions, a number of questions can be raised, including the following: How are they designed? What are their main features? Do they have supranational prerogatives? How sticky are they?

In Table 3.1, I tentatively represent possible sequences of politicization, depoliticization, and repoliticization. Each of the components listed in the table is susceptible

TABLE 3.1. Hypothetical sequences of politicization, depoliticization, and repoliticization of an integration process

| Sequences Components | 1 Politicized onset | 2 Depoliticization | 3 Repoliticization |
|----------------------------------|---|--|--|
| Incentives | Internal or external | Internal or external | Internal or external |
| Instrumentalization | Economic integration as a device to reach a political goal (peace, democracy) | Permutation: economic integration as an end | New political goals following a crisis. Integration as crisis-avoidance device |
| Representation | Political goal (peace, democracy) as a common interest | Political goals considered achieved or no longer reachable | Common will to regain control over free markets |
| Commitment | Key political actors committed | Loss of interest | Commitment of new actors |
| Participation (Non-state actors) | Civil society possibly involved | Loss of interest | New actors involved |
| Institutionalization | Institutional arrangements | Resilience | Institutional reform |

of affecting the level of politicization. Even if the key component does not allow for much room for appraisal (either there is a political instrumentalization or not), the other components can add or deduct some degrees of politicization, depending mainly on the institutions' capacity to keep on embodying the common interests.

The main hypothesis of this chapter is that the way the sequences concatenate and the level of politicization reached in the process are responsible for the "consistency despite instability, resilience despite crises" oxymoron. Typically, the level of politicization reached during sequence 1 is sufficient enough to insulate the process from collapsing during sequence 2, but insufficient from preventing setbacks. This is either due to the commitment of the actors being minimally consistent or to the institutions providing for a minimum of resilience. Subsequently, sequence 3 does not yield a very high level of politicization either. An integration process can try to start anew; it remains pretty much path dependent. In the rest of this section, I specify the way the three sequences are set into motion.

First, there is no linearity in the flow of sequences, nor is there a dominant independent variable explaining the transition from one sequence to the next one. As mentioned earlier, the onset of a politicized regional integration process is triggered by a common will to achieve a collective political goal through economic integration. This cannot occur without a strong commitment from key political actors, but it neither requires an active participation from civil society actors nor does it necessarily imply a complex institutional arrangement. The latter elements just add degrees of politicization. There can be many reasons why such a politicized initial sequence begins in the first place and eventually comes to an end. Among the factors susceptible of jump starting a politicized process, some sort of historical foundational trauma can be mentioned. The case of World War II for Europe evidently comes to mind, but it can be any event, including economic crises, that will raise the consciousness of the key political actors over the necessity for collective action. The more severe the trauma, the deeper the cooperation envisioned, including possible pooling or relinquishing of sovereignty. In addition to this output-oriented motivation, there can also be more ideological or external incentives, such as the challenge of regionalism in other parts of the world, or a brutal acceleration of internationalization (Keohane and Milner 1996). In the final analysis, much depends on the perception of a historical juncture shared by the different countries' key political actors and their approaches to meet common challenges.

The end of sequence 1, and subsequently the beginning of sequence 2, occurs when the important actors lose interest in the integration process,² either because they consider the initial political goal has been met or they estimate it is no longer achievable. This loss of political interest will be all the more damaging that the integration process does not yield economic gains. If the initial sequence entailed complex institutional building, its resilience provides for a minimal degree of politicization in times of

² Schmitter would describe this situation as a "zone of indifference" (Schmitter 1970b).

depoliticization. If the integration process does yield economic gains, it can consolidate the conception of common interests in the region, also providing for a minimal degree of politicization. For these two last reasons, sequence 2 of depoliticization may not be a complete setback.

Note that a crisis during sequence 1 does not necessarily lead to a depoliticized sequence 2. A more or less complex re-equilibration can occur. The key political actors may try to put the integration process on a new path, if they consider for instance that the initial one has delivered unintended negative externalities, such as uneven distribution of benefits. In that case, the degree of politicization remains equal, with a constant commitment. In another scenario, there can be a positive appraisal of outcomes, in terms, for instance, of reciprocal trade boosting, entailing an increase of ambition. In that case, the degree of politicization increases, with a stronger commitment to raise the level of integration. Partner governments may decide to better coordinate their macro-economic policies or to adopt a common currency. Pressure from civil society actors, unpleased with the social impact of trade liberalization, may provide an additional motive to change or reverse the integration course.

If the integration process does get into a sequence 2 of depoliticization, there are reasons to believe it can last for some time. Once the foundational trauma, such as a war or an economic crisis, loses momentum, the actors' core motivation to keep on working together fades away. Some isolated integration entrepreneurs, working for instance in regional agencies, may be pushing for some deeper integration, but they will most probably not be heard.

Again, there is a wide range of reasons why sequence 2 might be shaken by new events acting as a disjunction. International political or economic crises can act as critical junctures (Collier and Collier 1991), triggering a change of course. Free trade may no longer be considered a panacea, a product of a new political preference-convergence among the governments. New actors may bring about changes of paradigm and enforce an institutional reform. Whatever the reasons, a new sequence 3 of repoliticization implies the construction of a new project and a new conception of common interests in a given region. It is important to point out that sequences are not cycles. Member states do not go back to their initial intentions during a phase of repoliticization, but agree upon new challenges to be collectively met. Despite their resilience and stickiness, institutional arrangements do change during each phase. Institutional change tends to be incremental in the depoliticization phase, with a progressive paralysis, and more brutal in its scope and level during the politicization one, with possible complete across-the-board rebuilding. These sequences are analyzed in the rest of the chapter by focusing on the evolution of integration models in Latin America.

3.2. SEQUENCES OF POLITICIZATION AND DEPOLITICIZATION

This section traces the process of politicization and offers a description of historical sequences, using the categories described in the previous section.

3.2.1 *Central America*

Central America has been characterized by some commentators as a nation divided (Woodward Jr. 1976). United during the colonial times, its five components³ built a federation right after independence (1824–1838). The experience was short-lived, but it was followed by many attempts to rebuild it. None succeeded (Karnes 1961). After World War II, Central America ambioned to have its own regional organization, inspired by the 1948 Bogota Treaty giving birth to the Organization of American States (OAS). In 1951, the five Central American countries signed the San Salvador Charter, creating the Organization of Central American States (ODECA). ODECA's ambitions were to encompass economic, political, as well as cultural dimensions of regional integration. However, it rapidly proved instrumental for the US-sponsored anti-communist crusade in the region, targeting Guatemalan President Jacobo Arbenz. By criticizing communist intromission in Central America, ODECA gave some legitimacy to the 1954 military coup that put an end to 10 years of democratic experience in Guatemala. The initial politicization (sequence 1) of Central American integration is twofold. On the one hand, there is a construction of a political project and some institutional building, accompanied by the revitalization of functional cooperation.⁴ This process is domestically conceived. On the other hand, there is common will (in four of the five countries) to rid the region of one of its member state's government (Guatemala), suspected of communist affiliation. This second vector of politicization is externally driven (United States).

In parallel to this political construction and the way it got instrumentalized during these times of cold war, the Central Americans also embarked upon an economic project. The same year ODECA entered the scene (1952), the Central Americans held their first meeting with the assistance of some experts (or *técnicos*) from the Economic Commission for Latin America and the Caribbean (ECLAC) (Wynia 1972; Cohen Orantes 1972). Economic integration was on the agenda, and eventually in 1960 the discussions led to the signing of a General Treaty of Central American Economic Integration, creating the Central American Common Market (CACM) and a Secretariat for Economic Integration (SIECA). During the 1960s, Central American integration was rather successful as regards the dynamics of its intra-regional trade. However, the region was submitted to contradictory external pressures as regards the instrumentalization of economic integration. On the one side, ECLAC was advocating for regional planning of import-substitutive industrialization, inserting trade liberalization into a development project. On the other side, the US Agency for International Development's Regional Office for Central America and Panama (USAID ROCAP)

³ Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua.

⁴ With the creation of the following regional agencies: Central American University Council (CSUCA, 1948), Nutrition Institute of Central America and Panama (INCAP, 1949), Regional Organization of Agriculture Sanitation (OIRSA, 1953), Central American Institute of Public Administration (ICAP, 1954), Central American Institute of Research and Industrial Technology (ICAITI, 1955).

was criticizing possible monopolies and pushing for trade opening as an end. What ECLAC and ROCAP did agree on was to depoliticize regional integration, yet for different reasons. ECLAC had a technocratic conception of integration considering it an exercise of planning without public debate or civil society participation. ROCAP emphasized free trade, without envisioning common policies. The 1969 war between El Salvador and Honduras epitomized the depoliticization of integration. 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. It never got enforced. During the 1970s, no political project was able to relaunch the process. Some Central American countries were facing serious internal turmoil and guerrilla wars (Guatemala, Nicaragua, El Salvador), and even the economic dimension of integration was stalemated.⁵

It was not until the mid-1980s, in the midst of the Central American crisis, that a common project started to emerge. The 1986 summit of Esquipulas (Guatemala), with the participation of the five Central American presidents, marked the first step of the integration reactivation. During the second Esquipulas summit in 1987, Costa Rican President Oscar Arias presented his peace plan, and the countries of the region started to work together on a common agenda including peace and democracy. The peace process meant a repoliticization of integration for two reasons. First, the region was able to put together a new collective project, agreeing on a series of objectives, such as peace, democracy, and reconciliation. Second, the implementation of the peace plan acted as an incentive to upgrade the countries' regional commitments. In order to comply with the plan's objectives, the five Central American governments reactivated old regional agencies or created new institutional arrangements. In other words, this collective work of crisis resolution unintentionally reactivated the regional integration process (Dabène 1992).

During the 1990s, this repoliticization of the integration process had many effects. The agenda got inflated with new treaties,⁶ and an attempt was made to grant the process a global steering (Central America System of Integration, SICA), this latter organization being a reformed and actualized version of ODECA. As mentioned in Table 3.1, typical of sequence 3 of repoliticization are new political goals following a crisis. The new treaties embodied these new goals, with new topics added to the regional agenda, such as sustainable development, security, or social issues. However, this widening of the scope of integration did not translate into a more complex institutionalization. Soon the mismatch between the wide scope and the limited level of integration had the presidents looking for some coherence building. In 1995, they

⁵ Although during the years 1972–1976, a High Committee for the restructuring and improvement of the common market prepared a project for a Central American Economic and Social Community (CESCA) that was eventually ignored.

⁶ Alliance for a sustainable development (1994); Treaty of social integration (1995); Treaty of democratic security (1995).

commissioned ECLAC and IDB to make some recommendations in order to modernize the organs and institutions of Central American integration. In their final report, ECLAC and IDB insisted on the necessity to make distinctions between three spheres of articulation between scope and level of integration (CEPAL-BID 1997). The first one corresponded to the highest level of integration and an agenda limited to the improvement of the regional unified market, with a common trade policy and complementarities between other public policies, such as the macro-economic one. The second one had 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 was even more modest as regards the level of integration and only one issue was on the agenda: Central America was invited to keep on reinforcing its political collaboration to consolidate democracy. As far as politicization is concerned, these recommendations entailed a downgrading. They limited the scope of integration to trade and hence narrowed the common interests of the region. According to ECLAC and IDB, the agenda of integration was to be limited to the unification of the regional market.

In 1997, the Central American presidents decided to follow ECLAC-IDB’s recommendations and launched the political reform of their integration process, announcing most notably the reunion of the different secretariats. However, they immediately ran into obstacles, as Honduras was devastated by Hurricane Mitch (1998), Costa Rica faced political scandals, and the external agenda of negotiation kept the diplomats busy.⁷ For a decade, Central American integration was pretty much kept out of the governments’ radar, yet it was an issue of interest for civil society. A strong opposition to free trade gathered momentum, with powerful networks of transnational mobilizations acting in the region.

In 2007, the region opened a round of talks with the European Union forcing them to get back to work together. Contrary to CAFTA, where the United States negotiated on a bilateral basis, the European Union was willing to support the process of political, economic, and social integration of the region. In February 2008, the institutional reform was eventually relaunched. It is of course too soon to say if the years 2007–2008 have opened a new sequence of politicization. The fact that Nicaragua and Honduras adhered to Venezuela-sponsored ALBA⁸ represented a political schism in the region that did not allow heralding any easy way to build a consensus on common interests. Moreover, the coup in Honduras (June 2009) and the border dispute

⁷ With the Puebla Panama Plan (PPP) suggested by Mexico in 2001 and the opening in 2003 of the negotiations for a U.S. Central America and Panama Free Trade Agreement, including the Dominican Republic (CAFTA RD).

⁸ ALBA: Bolivarian Alliance for the Peoples of our America, associating Cuba, Venezuela, Bolivia, Ecuador, Nicaragua, Honduras and the Caribbean islands of Dominica, Saint Vincent & Grenadines, and Antigua & Barbuda. Honduras withdrew from ALBA following the coup against Manuel Zelaya.

TABLE 3.2. Central American integration's sequences of politicization

| Sequences Components | Politicization 1948–1954 | Depoliticization 1960–1986 | Repoliticization 1987–1998 | Depoliticization 1998–2007 |
|-------------------------|--------------------------------------|-------------------------------|--|-------------------------------|
| Incentives | Internal/external | Internal | Internal | Internal/external |
| Instrumentalization | Yes | No | Yes | No |
| Representation | Peace, solidarity, anti-communism | Trade | Peace, freedom, democracy, and development | Trade |
| Institutionalization | ODECA | SIECA | SICA | SICA |
| Commitment | High | High | High | Low |
| Participation | Low | Low | High | High |

between Costa Rica and Nicaragua (2010–2011) further handicapped the consensus-building efforts. As Table 3.2 shows, Central America has experienced four historical sequences, two of politicization (1948–1954 and 1987–1998) and two of depoliticization (1960–1986 and 1998–2007). Two serious crises were instrumental to put an end to some sequences (1954, 1980s).

Despite this complex and highly unstable history, Central American key political actors have been consistent in their effort not to totally jeopardize the integration process, maybe because they faithfully remain attached to the idea of a Central American brotherhood. A symbolic dimension is also important in the Andean region.

3.2.2 The Andean Region

The Andean Pact was first idealized in 1966 by a group of presidents dissatisfied with the unequal distribution of benefits yielded by the Latin American Free Trade Association (LAFTA) launched in 1960 (Bawa, 1980). On August 16, 1966, the Presidents of Chile, Colombia, Ecuador, Peru, and Venezuela met in Bogota, Colombia, and issued a declaration stressing the need for subregional economic integration. Their motives were also geopolitical, as Argentina and Brazil, both under military rule, inspired preoccupation for democratic Chile and Andean countries (Moniz Bandeira 2003).

Chile, Colombia, Ecuador, Bolivia, Peru, and Venezuela signed a first agreement on February 7, 1968, giving birth to the Andean Development Bank (*Corporación Andina de Fomento*, CAF). One year later, the same countries, without Venezuela, created the Andean Group, signing the Cartagena Agreement (also know as the Andean Pact) on May 26, 1969. The regional group was granted a complex set of institutions, quite similar to the European one. Most notably, and importantly when assessing the degree of politicization, they created a supranational organ, the *Junta de Cartagena*, whose members were supposed to represent the general interest of the

region and were prohibited from receiving instructions from their respective countries' governments. The expectations were high, as the regional integration process was supposed to "promote the balanced and harmonious development of the Member countries."⁹ Bolivia and Ecuador were given special consideration, in order to close the development gap within the region, and policies were adopted to promote industrialization at the regional level. The onset of the integration process in the Andean region is probably the most politicized of all Latin American processes, due to this level of ambition and the complexity of the institutional arrangement. This latter element, as shown in Table 3.3, has provided for a minimum level of politicization ever since.

Much of the Andean Pact evolution has been punctuated by crises, mostly provoked by disputes between member countries over the distribution of benefits and their level of commitment. However, not all crises have triggered a change of sequence. Again, the Andean institutions have been remarkably sticky, even when there was a lot of indifference in the region regarding regional integration. Contrary to Central America, no impressive acceleration of intra-regional trade has ever captured the attention of key political actors in the region. As a result, many policies were simply never implemented (Adkisson 2003).

The first crisis occurred even before the treaty was signed, with Venezuela deciding to opt out. But the country eventually joined the group on February 13, 1973. Then Chile withdrew on October 30, 1976. In both instances, the issues at stake were the obligation to create bi-national enterprises and the treatment of foreign investments. During the 1970s, the Andeans embarked upon an ECLAC-inspired strategy of import substitution, while expanding the scope of integration, with the signing of several *Convenios* on education (Andrés Bello agreement, 1970), health (Hipólito Unanue agreement, 1971), and labor (Simón Rodríguez agreement, 1973). As the decade came to an end, the Andean countries were too busy managing their transitions

TABLE 3.3. Andean integration's sequences of politicization

| Sequences Components | Politicization 1969–1989 | Depoliticization 1989–1996 | Repoliticization 1996–2006 |
|-------------------------|-----------------------------|-------------------------------|-----------------------------------|
| Incentives | Internal | Internal | Internal/external |
| Instrumentalization | Yes | No | Yes |
| Representation | Solidarity | Trade | Lack of consensus Polarization |
| Institutionalization | GRAN | GRAN | CAN |
| Commitment | High | Low | Medium |
| Participation | Low | Low | Medium |

⁹ Article 1 of the 1969 Cartagena Agreement.

to democracy to bother about their process of integration. Then the 1980s' economic crisis further paralyzed the integration process and led to a political shift at the end of the decade. On May 12, 1987, the Andean countries adopted the Quito Protocol, introducing flexibility in the realm of policy harmonization and development plan coordination. Then, two years later, during the Galapagos meeting celebrating the twentieth anniversary of the integration scheme, the Andeans embraced the neoliberal era and shifted toward open regionalism (CEPAL 1994). Their new agenda was resolutely centered on free trade, entailing a depoliticization of the integration process. The 1990s witnessed a period of growth in the region, and intra-regional trade made substantial progress. The intra-regional to total trade ratio went up from 12 to 17% between 1990 and 1995. During the 1990s, the authoritarian drift of the Peruvian regime (1992 shutdown of Congress or *autogolpe*) did not even lead to a repoliticization, although Venezuela decided to break its diplomatic relations with Peru. Peru temporarily withdrew from the free trade area and the customs union in 1992, essentially for technical reasons. It reintegrated both in 1997. More importantly, in 1995, a border dispute led to a short war between Peru and Ecuador, with close to no reaction from the Andean Pact. In Table 3.3, I refer to the 1990s as a sequence of "modest" depoliticization, because the institutions were rather insulated from the political turmoil.

The repoliticization sequence eventually began on March 10, 1996, with the signing of the Trujillo protocol. By converting the Andean Pact into the Andean Community (CAN) and setting renewed ambitions, despite Peru's temporary withdrawal, the protocol relaunched the process of integration putting it on a new track. The agenda of integration made some progress, with the inclusion of the social issues in 2003. The repoliticization is somehow limited though, from an institutional viewpoint. Indeed, the protocol refreshed the institutional arrangement, placing the Meeting of Presidents at the top of the decision-making process, but in parallel, the supranational prerogatives of the *Junta* were undermined. On the political front, the left turn of many Latin American governments in 2000 impacted the CAN. Venezuelan president Hugo Chávez, first elected in 1998, started to criticize the neoliberal orientation of the integration process. He was later joined by his Ecuadorian and Bolivian counterparts, Rafael Correa and Evo Morales. Colombia and Peru's opening of free trade negotiations with the United States further polarized the political climate. In 2006, Venezuela decided to leave the Andean Community and joined the MERCOSUR.

As far as politicization is concerned, it can be said that the Andean integration process has always been minimally politicized, because of its high degree of institutionalization and, quite oddly, its frequent crises. The Andean integration process has been hit by a crisis almost every 10 years since 1966, each being followed by a reactivation, most notably in 1987 and 1996. The crisis resolution efforts kept the integration process on the agendas of the Presidents, preventing them from dropping their commitment to regional integration. As in Central America, the Presidents have

been consistent in their commitment. Hugo Chávez, of course, stands as an exception. To the Venezuelan president, regional integration could not be separated from political allegiances.

3.2.3 MERCOSUR

The Common market of the South (MERCOSUR) has a much shorter history than the Central American or Andean regions. However, since the mid-1980s, despite promising debuts (Roett, 1999), the region has experienced several crises, setbacks, and reactivations. Table 3.4 shows that MERCOSUR's evolution is characterized by a succession of five short sequences.

The initial sequence preceding MERCOSUR's inauguration is clearly a politicized one. MERCOSUR's origin goes back to the years 1983–1985, when Argentina inaugurated a democratic regime after seven years of brutal dictatorship and Brazil was in the midst of its transition. Argentina at that time was surrounded by military regimes and faced both a severe economic crisis and the discontent of the armed forces, humiliated by the Falkland war and threatened by judicial charges for human rights violations. At the end of 1984, Argentine President Alfonsín took the initiative of opening talks with Brazilian politicians about possible ways to build a device for the collective defense of democracy. In December 1985, both countries held a summit on the triple border, in Foz de Iguazu, that can be considered as MERCOSUR's birth act. Presidents Alfonsín and Sarney had three main issues on their agenda. One was infrastructure, with the symbolically very relevant inauguration of a bridge between the two countries; the second one was defense, with the parties agreeing on a transparent nuclear policy, a major step toward establishing a security community; and the last one was democracy. The Presidents considered regional integration as an instrument of economic development, and development as an instrument of democratic consolidation. Democracy, in its turn, was supposed to strengthen regional integration. This circular argument would influence a dozen protocols, signed between Argentina, Brazil, and later Uruguay, between 1986 and 1990.

TABLE 3.4. MERCOSUR's sequences of politicization

| Sequences Components | Politicization 1985–1990 | Depoliticization 1991–1996 | Repoliticization 1996–1998 | Depoliticization 1998–2001 | Repoliticization 2002–2008 |
|-------------------------|-----------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| Incentives | Internal | Internal/external | Internal | Internal | Internal |
| Instrumentalization | Yes | No | Yes | No | Yes |
| Representation | Democracy | Trade | Democracy | Trade | Stability |
| Institutionalization | Protocols | Institutional modesty | Democratic clause | None | Institution building |
| Commitment | High | High | Medium | Low | Medium |
| Participation | Low | High | Medium | Medium | Medium |

This first sequence of a politicized launching of regional integration came to an end quite abruptly with the opening of the 1990s, for three sets of reasons. One had to do with the proliferation of democratic regimes in the region. The initial mid-1980s preoccupation for the future of democracy was just no longer perceptible. The second owed much to the neoliberal turn. New presidents like Argentine Carlos Menem, Uruguayan Luis Alberto Lacalle, and Brazilian Fernando Collor, who all took office between December 1989 and March 1990, had a trade-centered conception of regional integration. Third, US President George Bush launched a so-called Enterprise for the Americas Initiative in June 1990, emphasizing free trade and investment. It then came as no surprise that MERCOSUR's founding treaties did not mention any political objective. The word "democracy" does not appear in the Asunción Treaty signed on March 26, 1991, or in the Ouro Preto Protocol signed on December 17, 1994. The 1991 treaty considers economic integration as an end, not as a device to defend democracy and promote development. However, this depoliticized conception of integration that prevailed in 1991–1994 did not translate into a loss of interest for integration matters. The first half of the 1990s witnessed an impressive increase in regional trade. Intraregional to total trade ratio reached 20.2% in 1995 and 25.3% in 1998, compared to a modest 8.9% in 1990. As a result, there was a great deal of enthusiasm for MERCOSUR in the region, both within governments and private-sector actors, and free trade remains high on the political agenda as a common interest builder (Achard et al. 1994).

Despite this early 1990s' depoliticization, interestingly enough, MERCOSUR's concern with democracy soon resurfaced. On April 22, 1996, a coup attempt in Paraguay seriously challenged the regional integration process and allowed MERCOSUR to upgrade its level of politicization. Two months after the crisis, MERCOSUR Presidents issued a Presidential Declaration on Democratic Commitment on June 25, 1996, in San Luis (Argentina) and signed the Ushuaia Protocol on Democratic Commitment on July 24, 1998. This two-year period represented a short sequence of repoliticization. The Paraguayan April crisis was a short parenthesis, although its importance in Latin American regional integration history should not be neglected as it generated the introduction of the first democratic clause in the region.¹⁰ Once the crisis was solved, MERCOSUR returned to its business as usual. Somehow, the governments had been forced by circumstances to briefly acknowledge that integration could help defend democracy, but they were not ready to deviate from their neoliberal conception of trade-centered integration. It took another serious crisis and a significant political change to make them open a new sequence or repoliticization.

In 1999, the Brazilian devaluation was a severe and brutal signal for other MERCOSUR member States that this country was acting as a hegemonic power, with a conception of common regional interests that had to be compatible with its

¹⁰ The Andeans adopted the same clause soon after (October 17, 1998).

own national interests. Brazil took its decision without any consultation with its MERCOSUR partners. Two years later, the 2001 Argentine major depression made the main political actors realize that the integration process required some adjustments. In addition to this perception that collective action was urgent, the region experienced a major political shift. The so-called turn to the left, embodied by the election of Lula to the Brazilian presidency in 2002, brought to power new leaders deeply committed to the deepening of integration. As mentioned in Table 3.1, this convergence of changes typically launches a sequence 3 of repoliticization.

In the years 2002–2004, MERCOSUR embarked upon an institutional reform, with the creation of a parliament and a judicial body, among others. MERCOSUR also enforced its first redistributive policy, with the creation of a structural convergence fund aimed at lowering the development differential between member countries and regions.¹¹ However, the sequence of repoliticization remained modest both in scope and level, although some sectors were actively pressing for deeper changes. The 2003 reform of MERCOSUR's Secretariat illustrates this outcome. The creation, within the Secretariat, of a Technical Assistance Sector (SAT), with the recruitment of four high-level experts on a merit basis, served the purpose of forming “a space of common reflection on the development and consolidation of the integration process.”¹² The SAT soon proved to be an active entrepreneur of integration. The four experts were academics defending the general interest of MERCOSUR, and pressing for the process to deepen. During its first year of existence, the SAT clashed several times with some diplomats, and in particular the Director of the Secretariat, keen to secure its control over the integration process and preserve its strictly intergovernmental dimension. In 2004, the SAT played an important role in preparing the December summit of Ouro Preto (Brazil). Ten years after the 1994 first Ouro Preto summit that gave MERCOSUR its institutions, and with four Presidents committed to the relaunching of the process, there was a window of opportunity the SAT was eager to seize. Among other proposals, the SAT designed an ambitious project of Parliament, inspired by the European example. The final decisions fell short of what the SAT expected, with a parliament deprived of significant role in the decision-making process. The diplomats had won the battle.

As other regional integration processes in Latin America, with the already mentioned exception of the Andean *Junta de Cartagena* between 1969 and 1996, MERCOSUR discards any evolution that would grant its institutions supranational prerogatives. As explained later on, this precludes a consolidated representation of regional interests. Two other factors contribute to explaining the modesty of MERCOSUR's repoliticization in 2000. One was Brazil's diplomacy under Lula which definitively turned global. Despite many declarations of intention, the fact of

¹¹ Fondo de Convergencia Estructural del Mercosur (FOCEM).

¹² MERCOSUR's decision 30/02.

the matter is that Lula prioritized multilateral diplomacy over his regional commitments, and in the region favored South America¹³ over MERCOSUR (Spektor 2010). The other was the civil society actors' deception. MERCOSUR's institutions provide for several instances of participation in working groups. However, the experience proved to be disappointing, with agendas of discussion being excessively technical and no possibility for civil society actors to have a say about the general orientations of the integration process. As a result, "bottom-up" dynamics of regionalization were limited, and new Leftist governments commitments in this regard remain to be seen. Perhaps MERCOSUR's main problem was not so much the lack of governments' commitment, but rather its excessive imbalance and asymmetry. Yet, despite difficulties in defining "common" interest within this scheme, repoliticization in the Southern Cone meant a reinvention of institutional commitments and regional provisions for integration in new arenas beyond trade, including in security, energy, and infrastructure (Chapters 4 and 5). Despite crisis, or perhaps because of it, new institutions such as UNASUR, bridging resilient institutions such as MERCOSUR and CAN since 2008, are part of a renewed will of government leaders to redefine the terms of cooperation and solidarity to maximize the management of resources and the impact on autonomous development and social improvements.

3.3. POLITICIZATION AND COLLECTIVE INTERGOVERNMENTAL PRESIDENTIALISM

The previous discussion showed that in all Latin American regional integration processes, the presidents have played a key role. Even during times of crises and setbacks, they have been rather consistent in their commitment to defend regionalism. And their capacity to set new collective goals has been instrumental to reactivate moribund processes. Yet it turns out that this central role of the presidents also impacts the integration processes in a possibly negative way. If the presidents are capable of being consistent despite instability, the way they govern regional integration processes can also nurture instability and may trigger crises. In this section, I explore this argument.

Latin American integration governance is very much driven by collective intergovernmental presidentialism. This should not come as a surprise, since the features of national formal and informal institutions, or at least the ones of an integration scheme's dominant country, constrain the choices the actors make when designing regional institutional arrangements.¹⁴ Latin American countries having presidential regimes, the designers of regional institutional arrangements tend to reinforce their presidential features, even if sometimes they also seem to imitate European integration's institutions when crafting their own. Europe, conversely, has a dominant

¹³ In particular the Union of South American Nations (UNASUR), whose treaty was signed in Brasilia in 2008.

¹⁴ I have called this "domestically-inspired isomorphism" (Dabène 2009: 90).

tradition of parliamentary regimes that has influenced the evolution of the European Union, in particular the strengthening of the European Parliament. This complex interaction between domestically inspired isomorphism and imitation is particularly salient in the Andean integration process, where a treaty creating a parliament (PARLANDINO) was signed in 1979, the same year the Europeans inaugurated a new era voting for their Parliament. However, the PARLANDINO remained nonexistent until a new treaty was signed in 1997. The Andeans were not ready to grant their integration process a parliamentary dimension. Other than this “natural” tendency to build regional institutions that resemble the domestic ones, Latin American regional integration processes have also been run by collective presidentialism because the presidents were keen to defend national interests, and they thought regionalism was nothing more than an exercise of bargaining. Very often, they were under the influence of powerful economic interests that shape the process of national preferences’ construction, and they had to conduct a “double-edged diplomacy” (Evans et al. 1993). This great difficulty in putting the common interest before national ones is manifest in several institutional features, most notably decisions by consensus, limited resources for the secretariats, modest role for the regional parliaments, or non-binding decisions. The effects of presidentialism applied to regional integration are far-reaching and ambivalent. Presidentialism has been considered either an obstacle or a “hidden cause” for success. Malamud (2003) has a point when he argues that during the first years of MERCOSUR, collective presidentialism was a substitute for weak institutions. Many trade disputes were resolved at the highest level, and the presidents kept their endeavor rolling even through hard times. Malamud rightly points out that this concentration of decision-making capacities in the hands of presidents has allowed the integration process to evolve with celerity and to take political action when necessary. It could be added, regarding MERCOSUR, that there has been a fairly good personal relationship between Argentine President Raúl Alfonsín and his Brazilian counterparts, Tancredo Neves¹⁵ and José Sarney, at the onset of the process, and later between their successors Carlos Menem and Fernando Collor at the beginning of the 1990s. Alfonsín and Neves/Sarney shared the view that democracy had to be collectively defended; Menem and Collor thought that integration was to be strictly trade-centered, in conformity with dominant neoliberal values during the 1990s. This “personal” factor has to be emphasized when dealing with Argentine/Brazilian relations. The capacity to build bilateral relations through presidential meetings had not been present since the years 1958–1962, when Argentine President Frondizi had a close working relation with Brazilian Presidents Kubitschek, Quadros, and Goulart (Moniz Bandeira 2003). The military regimes also collaborated, especially between 1976 and 1982. In 1980, Brazilian President Geisel was the first to visit Buenos Aires since 1935, but the mutual concern was essentially security-centered. All in all, the

¹⁵ Tancredo Neves was elected president on January 15, 1985. On March 15, his vice-president José Sarney was sworn in because Neves was ill. He later died on April 21, and Sarney became president.

historical periods when Argentina and Brazil have shared a common conception of their common interests have been very rare. In that sense, the capacity of their presidents to set common goals does not take root in a long historical tradition, as in the case of Central America for instance. Despite this initial role of presidentialism as a substitute for weak institutionalization, it did not take long before the MERCOSUR presidents themselves realized that excessive concentration of power in their hands was slowing down the process. Argentina, Uruguay, and Paraguay reckoned that without solid institutions, there was no safeguard, no legal binding, and Brazil could not be dissuaded from making unilateral decisions, such as the January 1999 devaluation of its currency. Two years later, with the Argentine debacle, even Brazil agreed that weak institutions meant inefficiency. As some observers concluded, MERCOSUR's low level of legalism "led to issue-congestion and over-burdened agenda at the top" (Bouzas and Soltz 2001: 104).

MERCOSUR's experience is peculiar in the Latin American context. Older integration schemes were granted solid institutions by their founding treaties. As previously mentioned, the 1969 Andean Pact went as far as creating a legislative branch (*Comisión*) and an executive organ (*Junta de Cartagena*) with supranational prerogatives. The Commission made decisions and the *Junta* was responsible both for preparing and implementing them. Two features were of crucial importance: the Commission used majority rule to make decisions the *Junta* was composed of three persons who were supposed, according to Article 13 of the 1969 Treaty, to act "only according to the interests of the Sub-region as a whole." Article 14 added that they were prohibited from "asking for or accepting instructions from governments, national or international bodies." Yet, despite complex institutional arrangements, the first-generation integration schemes were also governed by collective presidentialism. In the Andean case, the presidents kept firm control of the process. Nationalism was a common characteristic of authoritarian governments during the 1970s. In addition, the *Junta's* members had a hard time protecting their autonomy, due to frequent turnover provoked by political instability in their home countries that had them worry about their appointments. When democracy was reinstated in the 1980s, it was the debt crisis that generated protectionism and nationalism. The 1990 reform allowed the presidents to institutionalize their political pre-eminence with the creation of the Andean Presidential Council. Later in 1996, the so-called Trujillo Protocol substituted the *Junta* by a less "supranational" Secretariat.

In Central America, the Organization of Central America States (OCAS) created in 1951 and reformed in 1962, had a complex set of institutions, but with no supranational organs comparable to the Andean *Junta*. During decades, the main entrepreneur of integration was the Secretariat for Economic Integration (SIECA), rather than the political institutions. When the process was reactivated at the beginning of the 1990s, the "presidentialization" of the institutional arrangement had a lot to do with the role the presidents collectively played to solve the regional crisis and put an end to a decade of civil wars. As we saw in the first part of this chapter, the peace process

meant a repoliticization of integration. Up until now, the summit of presidents has been the dominant institution in Central America.

Collective presidentialism is a core feature of Latin American integration. In the rest of this section, I examine some consequences of this dominant trait on the level of politicization. First, collective presidentialism is a highly visible institution. It only exists through periodical summits that are exposed to media attention. Some presidents who are TV presidents (*telepresidentes*)¹⁶ at home tend to also be TV presidents during the summits and push to submit their deliberation to public scrutiny.¹⁷ This visibility is definitively no incentive to a free ride as no president wants to be held publicly responsible for an integration setback. As a consequence, they tend to pledge allegiance to regionalism, because no one wants to spoil the party. Summits are always displays of unity and they offer “photo opportunities” (Whitehead and Barahona 2005) that give the public a concrete representation of what regionalism is. Those symbolic effects ought not to be underestimated, especially in times of crises.¹⁸ In addition, the frequency of summits is another factor susceptible of upgrading the collective commitment toward regionalism. Due to the proliferation of new initiatives, the Latin American presidents have at least a dozen opportunities to meet every year¹⁹. The socialization effect of this repetition of meetings is probably important, as it enhances the presidents’ feeling of belonging to a community.

It has to be noted that the presidents can receive some help from non-governmental actors. Civil society actors, who are not necessarily associated to the decision-making processes, can use the summits as voice opportunities, taking advantage of the spotlights. Beyond the summits, regionalist governance provides an opportunity structure for civic activism (Grugel 2009). Going back to our categories mentioned in Table 3.1, it entails an involvement of new actors typical of sequence 3 of repoliticization. In short, collective presidentialism and the summits that embody it can insulate the integration processes from entering a depoliticized sequence and it can even foster its repoliticization. However, there are great differences between the regions. Some presidents attract more media attention than others and consequently some summits have more exposure, and civil society participation is also very uneven. Moreover, the credibility of the commitments displayed during summits is often doubtful. More

¹⁶ Rincon, Omar et al., *Los Telepresidentes. Cerca del pueblo, lejos de la democracia*, Bogota, Friedrich Ebert Stiftung, 2009, cited by Erica Guevara, “La crise de la représentation médiatique en Amérique latine”, *OPALC Latin American Political Outlook 2010*, Paris, Sciences Po-CERI-OPALC, 2010.

¹⁷ On August 28, 2009, a UNSAUR summit in Bariloche (Argentina) was broadcast live on TV.

¹⁸ The photo showing a hug (*abrazo*) between Venezuelan and Colombian Presidents Chavez and Uribe, during a Rio Group summit in Santo Domingo a few days after the Colombian bombing of a FARC camp in Ecuadorian territory in 2008, has probably contributed to ease the tensions in the region.

¹⁹ In addition to their bi-annual regional summits (MERCOSUR, CAN, SICA), the presidents meet during other summits such as Rio Group, UNASUR, summit of the Americas, Ibero-American summits, Euro-Latin American summits, and for some of them, summits with Asia Pacific, Africa, or the Arab countries.

often than not, the presidents' commitment is essentially rhetoric. Final declarations of summits typically refer to Latin American brotherhood and underline the necessity to unite, but the "Plans of action" that accompany them rarely take the necessary steps in that direction. This tendency to insist on the symbolic importance of integration contrasting with the defense of national interests often entails inflated agendas of integration.

The way collective presidentialism affects the agenda of integration is the second consequence worth discussing. Collective presidentialism tends to aggravate the mismatch between the scope and level of integration. Presidents are typically keen to enlarge the scope without paying too much attention to adjusting the level of integration.²⁰ The reasons they tend to do so are to be found in the political benefits the presidents expect to derive out of their commitment to regional integration. Three of them are of particular importance. One is the prestige associated with an important declaration adopted, or a treaty or protocol signed in a given capital city. Each president is keen to rip domestic political gains from a historical meeting held in his country, and he will push for an enlarged agenda. Any presidential summit that does not represent a milestone in the evolution of an integration process will be labeled a failure, and the president will be held responsible for it. At stake is the reputation of a president and a country, and it entails a vigorous symbolic incentive to push for enlarged agendas. Another reason for inflating the agendas is an exoneration of a problem-solving failure at the domestic level. The inclusion of a new issue in the regional agenda sends a message to the constituents regarding the inadequacy of the national level of decision making to address it. In some instances, besides trade that has always been on the agendas, the regional level adds an undeniable added value for new issues such as infrastructure, sustainable development, drug trafficking, or migrations. For social issues, especially in times of deregulation, the impact of regional norms is doubtful.

Finally, related to this last strategy, in a given situation where a regional integration process is suffering increasing opposition by major social sectors, and where the domestic economic situation is not too favorable, a president may use a credit-claiming/blame-shifting type of strategy, as any politician is used to do at the domestic level (Mayhew 1974). The inclusion of new issues on the agenda will eventually allow the presidents to shift the responsibility of a problem-solving failure to some sort of coordination difficulty, or to the integration's lack of progress. Conversely, a president will claim the credit for a successful regional policy, while hiding the origins of the decisions made. The increasing complexity of multilevel governance makes it harder for the citizenry to actually verify the claims. Although this holds true for the European Union more than for any other regional integration process in the world, I argue that the Americas are acquiring some similar features (see Dabène 2009, chapter 9). Central America is probably the integration scheme where these dynamics

²⁰ Philippe Schmitter (1970a) refers to this as a "spill around".

of agenda inflation are more easily observable. During the 1990s, many new issue areas were included in the regional agenda, such as social, environmental, or security issues,²¹ whereas the level of integration remained constant.²² Although other factors were instrumental in expanding the scope of integration, such as external incentives for instance, collective presidentialism played a decisive role.

If, for the presidents, there are strong incentives to widen the scope of integration, there is none to adjust its level. Delegating authority and/or appropriating means for regional institutions have never been politically rewarding anywhere. Regional integration processes in Latin America do not have good reputations, being widely seen as inefficient and costly bureaucracies. Had it not been for the European cooperation, the mere survival of the Central America System of Integration and of the Andean Community would be at risk. A way to measure this lack of interest for the level of integration is to look at the implementation of the norms adopted by the regional institutions. Norms' compliance has always been a severe weakness of all regional integration processes in Latin America. Collective presidentialism is not solely responsible for it. There is a deeply rooted tradition in Latin America not to abide by the rules, that can be traced back to the colonial rule, when the laws used to be respected but not enacted (*se acata pero no se cumple*). However, collective presidentialism has either prevented the institutionalization of a recent regional integration process such as MERCOSUR or overshadowed existing complex institutional arrangements such as the ones CAN or SICA had.

Just to mention one example, the first biannual report of MERCOSUR's Secretariat shed some light on the very low level of norms incorporation into national laws. From 2000 to 2004 only 43 of the 107 Council of the Common Market's decisions that required incorporations had been actually incorporated, representing a poor 40%. As for the Common Market Group, the balance was even worse, with 25.9% of its resolutions actually incorporated.²³ The same report mentioned the fact that due to the absence of a regional Tribunal or Court of Justice, no single interpretation of the norms was available, leading to different interpretations in courts from one country to another and even within the same country from one region to another. In short, MERCOSUR had trouble implementing its common norms, and was incapable of imposing the same norms everywhere. In 2004, a Permanent Review Court was created, that would supposedly secure a unified jurisprudence.

In short, collective presidentialism translates into inflated agendas that are not accompanied by any progress in terms of institutionalization. During a sequence 2 of depoliticization, it may contribute to the setting of new goals, provided the incorporation of new issues is coherent with a representation of the common interests,

²¹ See note 16.

²² The overall budget was not adjusted. The new programs were financed by international cooperation.

²³ MERCOSUR (2004: 33).

but if not accompanied by an institutional reform, it will prevent the sequence 3 of repoliticization from being sustainable and long lasting.

3.4. A POST-TRADE REPOLITICIZED SEQUENCE OF REGIONALISM?

During 2000, many Latin American countries turned to the left, entailing a rehabilitation of the state as a provider of opportunities for progress through redistributive policies. Although with mixed outcomes at the domestic level (Weyland et al. 2010), at the regional level, it translated into a new interest for redistribution of trade-generated growth and a renewed popularity of the neodevelopmental approach of regionalism. Following the severe economic crises of the years 1999–2001 and 2008–2009, a will to collectively regain control over free markets and set new political goals, typical of sequence 3 of repoliticization (Table 3.1), is perceptible at three levels.

First, there are signs of institutional reforms and integration deepening. In Central America, an efficiency-driven reform has been implemented since 2004, while MERCOSUR is making an incursion into positive integration, with the creation of a (modest) fund destined to compensate the huge asymmetries of development between countries and regions that characterize this regional grouping.²⁴

Second, new initiatives are emerging with new agendas. The Bolivarian Alliance for the Americas (ALBA),²⁵ championed by Venezuela, was originally born as an alternative to the Free Trade Area of the Americas (FTAA) proposed by the United States. It later became an original scheme of cooperation, focusing on social issues, inspired by a shared will to challenge neoliberalism (Kellogg 2007). The Union of South American Nations (UNASUR),²⁶ formed in 2008, has been working on a new agenda of integration. As listed in Article 2 of the Brasilia Treaty (May 23, 2008), the objectives include the formation of a political, economic, cultural, and social union between the peoples, stressing social policies, political dialogue, education, energy, infrastructure, finance, and environment. No reference to free trade is mentioned, signaling a new era of post-trade regionalism.

Third and last, some governments have shown a renewed interest for integration issues and have managed to make their commitment with regionalism a constitutional

²⁴ Mercosur's Structural Convergence Fund (FOCEM) is based on the European Structural Funds' model, but with a much smaller budget, representing a modest 0.03% of the regional GDP (US\$ 100 million per year).

²⁵ ALBA associates Venezuela, Bolivia, Ecuador, Nicaragua, Cuba, and the Caribbean islands of Dominica, Antigua and Barbuda, and Saint Vincent and the Grenadines.

²⁶ UNASUR associates the 12 South American countries: Argentina, Bolivia, Brazil, Colombia, Chile, Ecuador, Guyana, Paraguay, Peru, Surinam, Uruguay, and Venezuela.

obligation.²⁷ Bolivia and Ecuador, most notably, have strongly emphasized integration in their new constitutions. The 2008 Ecuadorian constitution refers three times to regional integration in articles 276 (defining the regime of development), 284 (defining the economic policy), and 416 (defining the principles of foreign policy). It then dedicates a long article (423) exclusively to regional integration, defining it as the “State’s strategic objective.” This article 423 develops a conception of integration that is very different from classical FTAs, insisting on the principles of solidarity and complementarities, just as ECLAC used to do back in the 1960s. It also insists on such issue areas as science and culture, defense, or sustainable development, and calls for a harmonization of regulatory norms in the realm of labor or social security. It even mentions the objective of free circulation of people and regional citizenship and the ambition to build supranational institutions in Latin America.

The 2009 Bolivian constitution is about just as ambitious in the matter of regional integration, insisting on asymmetry reduction, solidarity, and complementarities. However, if there are strong signs showing that the region might be entering a post-trade sequence of repoliticization, it remains fragile, most notably because collective presidentialism is still a dominant institutional feature and because the panorama of regionalism in Latin America is much more complex and differentiated than it has ever been. This latter point deserves close attention. Since the 1990s, Latin American regional schemes have turned flexible, allowing different levels of commitment, adaptable pace, and “à la carte” agendas. As a consequence, there are multilayered and possibly competing jurisdictions and interferences between different rationales, some trade-centered, others not. Many countries of the region have signed free trade agreements (FTAs) with the United States,²⁸ while at the same time trying to reactivate their regional scheme or adhering to new ones. One country, Nicaragua, even adhered to Venezuela-sponsored ALBA after having signed an FTA with the United States.

This flexibility is a major shift when compared to the previous periods when all countries used to assume the same level of commitment. The new variable geometry approach prevents the regional schemes from elaborating coherent representations of common interests. In addition, it offers the member states incentives to a free ride and to think in terms of national interests that they have to defend in every regional integration process they are part of. In that sense, the current sequence 3 of repoliticization is rooted in unstable ground.

²⁷ The reactivation, deepening and politicization of integration is a claim made by the Sao Paulo Forum since its first meeting in the Brazilian city in 1990. This network of Latin American leftist parties and movements has been meeting on a yearly basis ever since. During the 1990s, each declaration emphasized the necessity to move on toward a less trade-centered type of integration. Many of the Sao Paulo Forum members won elections and are now running such countries as Brazil, Uruguay, Venezuela, Ecuador, Bolivia, Nicaragua, and Salvador.

²⁸ Central America and the Dominican Republic (CAFTA DR), Chile, Peru, and Colombia.

3.5. CONCLUSION

The consistency despite instability, resilience despite crises oxymoron referred to political actors keeping up with their level of commitment to regionalism and to institutions being sticky even when the integration processes were stalemated or moribund. What has made the difference between the different historical sequences is the level of politicization, essentially defined as the actors' commitment to instrumentalize economic integration in order to reach political goals, such as crisis resolution or consolidation of democracy. The hypothesis of this chapter was that the succession of sequences of politicization is responsible for the highly unstable pattern of evolution. The empirical evidences presented strongly confirm it.

The contribution of this chapter to the literature is twofold. On the one hand, it helps accounting for the present sequence of post-trade regionalism, casting some doubt on its transformative capacity. There is no doubt that post-trade regionalism represents a step toward greater politicization of integration, as it implies a collective reflection to set new common goals. As indicated by UNASUR's objectives, or even more so by ALBA's ones, there is a new agenda of integration that goes far beyond trade facilitation, reflecting a new conception of common interests in the region and entailing the provision of regional goods. Its transformative capacity, however, should not be overestimated. As this chapter showed, Latin America has a long history of sequences of politicization followed by depoliticization. What has prevented the politicized sequences from putting the integration process on a lasting path is the weak institutionalization (or collective presidentialism). The current repoliticized sequence is further handicapped by the pattern of differentiated integration that emerged during the 1990s and has not been contested by the leftist governments during the 2000s. On the other hand, this chapter is a theoretical invitation to further investigate both the way representations of common interests shape regional integration dynamics and the way the regional institutions respond to political stimuli.

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