

CHAPTER ONE

Historical and Theoretical Guideline

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

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

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

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

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

Against this background of capturing such a sense of perplexing and elusively elusive definitions of integration in books on Latin America, the most remarkable has been its capacity to face of numerous crises and decades later, the reactivation of the process had lost steam and progress made was minimal. The new and vibrant with the 2001 A to negotiate separately and the Andean MERCOSUR and negotiation with managed to welcome. All these ups and downs in the prediction very risky one of the mysterious should try to understand crises.⁵

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merican System of Integration, Andes (Andean Community) (MERCOSUR). The difficulty also tied up by a myriad of other factors to make things even more complicated, as some have discussed (Free Trade Area of the Americas, ALBA; MERCOSUR). The regional integrations and reactivations. Consider the CAN) went through four stages: a motive of dark predictions for the onset of the integration in 1986, the debt crisis paralyzed the process between 1991 and 1994, Peru's crisis in the midst of Fujimori's government, the revolutionary Venezuelan government on the CAN. Each crisis has disrupted the process on a new path. Latin America, once considered "the most successful regional integration effort"¹ in the regional trade between 1960 and 1980, and crisis during the second

and annual threats of withdrawals of regional treaties. The threatened withdrawal until 1990 under the regional industrialization strategy in Costa Rica precipitated a minor crisis. In 1968 the frustration of the Central American Economic Integration Scheme, another serious challenge to the accords by unilaterally promoting common market goods. Consequently, the task of holding together the expansion, has been the challenge of its initial achievements of the history, MERCOSUR has faced difficulties, as have SICA and

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

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

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

In Search of a Definition

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

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

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

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

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

defining, redefining satisfactory concepts when we refer to 'international integration'. In a Concordance system he explained it possible to harmonize differences and reap Russet also emphasized more broadly mutual for Russet "the process to the loads put on the posited that "political time of a collective de

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

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

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

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

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

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

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

Table 1.1 Andrew Hurrell's five categories of regionalism

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

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

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But does a regionalism approach? The New Regionalism all these changes. And since integration hardly bothered the New Regionalism the cold war globalized world the added value of New Regionalism

Consider Björn Hettne's "regionness" (table 1.2). A typology that presents the same take evolution too literally described by classic authors his last two categories of "security community" and

The New Regionalism impossible to find what the precisely a fuzzy reference different theoretical content one that has proven to be new dimensions of regionalizations and/or political projects put it, "regions are always

Table 1.2 Björn Hettne's five levels of regionalization

Regional space	A geographical barrier
Regional complex	implies groups
Regional society	can be cultural
Regional community	takes shape or less conver a transition
Regional institutional polity	has a national capability

Source: Author's elaboration of Björn Hettne and Timothy Shaw (eds.), *Theories of Regionalization*, London: Routledge, 1994, pp. 1-10.

the political and economic turmoil at the end of the cold war, and a fear of, or reaction to, the trend towards a globalized economy."²⁰

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

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

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

Table 1.2 Björn Hettne's five levels of regionness

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

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

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

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

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

three corollaries to this definition: (1) great diversity of actors (primarily from above), and agendas; (2) or emerge as an unintended consequence; (3) not least, it can entail instability.

The next section of this book discusses American integration, emphasizing instability and the gap between theory and practice. It insists on the international environment and subsequent timing of junctures and subsequent timing. Then I will return to theory and practice suited to make sense of this history close with a presentation of the

Historical Paths of Disintegration

Ever since the Continent was discovered, it has been a complex one. Although the conquests were out of reach, the different possessed territories around the continent in the mid sixteenth century was a showcase was hardly a convincing one of the Portuguese or English. Brazil would never be dismantled.

During three centuries, the colonies remained more or less stable to organize trade routes and present but they had a hard time preserving and could not prevent the process in the different regions. As the Viceroyalty of New Spain stretched from Guatemala to Florida, and the Viceroyalty of Peru covered the continent. Moreover, the prohibition of trade to localism. Nonetheless, despite the rules governing commerce, the trade routes and initiated a process. In the Caribbean, the Andean, and smuggling and trafficking contraband.

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

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

Historical Paths of Regional Integration and Disintegration in Latin America

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

sovereignty) and external (what it considered an

During the 1970s, admit that the process, an instrument of motion, regional integration. For CEPAL's general, the proper strategy to Latin American nations these failures coupled diplomacy under Nixon reactivation of "Latin of Latin American For of Viña del Mar. As of foreign ministers of the Latin America in its latter being present- Consensus emphasized American personality ity among nations, n Eventually the Conse for Consultation and convince the United.

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

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

ination for the adoption of economic and social matters before third countries. Countries became members of the ALADI, it is a much more flexible. The ALALC was, with a lower level of integration, did not impose strict schedules or deadlines. The Andean Group (GRAN) and the MERCOSUR (MCCA), underwent the same process to achieve their objectives.

changed dramatically with the submerging the whole continent, addressed collectively two dimensions: integration and an impressive

processes that started to hit the transitions to democracy. In Colombia took the initiative (Colombia), in order to call the attention to the very devastating effects of a collective treatment of each country had a particular and negotiate a debt relief. In 1994, Brazil, Peru, Ecuador, and Venezuela successively struck a deal to the "Consensus of Cartagena" which would be addressed by bilateral organizations. The process accepted reimbursement, as a consequence, in 1989, the process was not possible.

even more successful. Panama gathered in mediation in the Central America, Brazil, Peru, and Venezuela peace and cooperation in support. The Act was never signed by the Sandinista government in the 1987 Arias peace plan. These two diplomatic

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

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

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

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

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

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

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

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

- Free Trade Area of South America (FTASA)
- Initiative for the Integration of Infrastructure in South America (IIRSA)
- Community of South-American Nations (CSN)
- Union of South American Nations (UNASUR)

Free Trade Area of the Americas (FTAA)

Source: Author's elaboration.

integration has not triggered the European one, where intra-regional trade is the dominant form of trade. In Latin America, with an intraregional

Third, institutionalization is characterized by the abundance of laws and the tension between scope and level of

Four, adding to these difficulties, groupings have had to meet nations, as a great variety of needs by the signature of bilateral Membership is no longer exclusive, and strategies of "poli-

And finally, five, external forces. The United States play important roles. It has always been keen to encourage integration over the years, pressured the MERCOSURians to show more integration prior to any internal integration. It has changed from frank hostility to integration in the 1950s, to support in the 1960s, and then to an active role in the 1990s, before going back to a more passive role.

Table 1.6 Interregional agreements

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

Source: Author's elaboration.

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

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

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

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

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

Selecting Theoretical Tools

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

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

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

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own standards; (3) It shows a deductive approach, many ways of explaining Latin America to validate, enrich, or improve it is possible to make general upgrading, I will do so.

This book strongly aims to explain what is "out there." In order to do so, it classifies schools, although it cannot of integration, the one theoretical and empirically between the limits and possibilities in time."⁵⁴

To make sense out of integration, three main work of analysis: how was it launched? How does it evolve? How can it be characterized?

Onset of a

Except Central America, which evoked integration from a long time before actually initiated. Central America after World War II. The imagined political unity and the obvious have to start by

Although they were not mentioned above, class simply answered that the adverse. In their study of (ALALC) in the 1960s, the distribution of pattern variables were "mixed" in all four basic transaction, pluralism, and more cautious as he referred to previous adaptations included previous adaptations or linguistic assimilation; or linguistic threat."⁵⁶ More recent

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on and the main features of America's experience with factors that have not been imagined political integration economic, social, or cultural circles; integration from above and consistency of the ability and crises; mismatch and poor policy outcomes.

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the kind of choices I will not turns its back to a whole describe the overall processes of and looking for a limited or analogies; (2) It also refuses European example as a benchmark. Since the European and Latin Americans, a process analyzed. And there are a lot from the European integration America. Nevertheless, each process be evaluated according to its

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

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

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

Onset of a Regional Integration Process

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

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

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

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

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

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

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

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

chica, being locally rooted, developed a "ternary identity" (transnational) feelings of these three identities, with itself being stronger than the product of a geographical process.

The importance of the process should not be overstated. The wars of independence were not a founding event. Undoubtedly, the Latin Americans had to work with the legacy of the Empire, as Luis Tejada recovers. The process gathered to wage an ultimate process of integration of Latin America. Peruvian (Bolívar, Martín), Venezuela (Bolívar, Cruz).⁶² He also mentions the process all over the continent making a "continental citizenship" force to regional integration.

We will have many opportunities to discuss the myths, but it is also necessary to see the way they unfold. The process of integration to unity and failures, or lack thereof, is illuminated by mentioning the process of integration placing the politics of integration in the historical section of this chapter. The process took place at a time when the process was not concluded. By and large, the process of building has prevented the process. The elucidation of this gap in the process of integration imaginary references to a state. Historical institutionalism is a process that recognizes that politics is a process that unfolds over time. The process has contemporary implications in institutions—whether the process is a norm.⁶⁴

Historical institutionalism is a process of initial critical junctures. The process of Schmitter, as will be mentioned.

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

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

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

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

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

Another variable that will prove of great explanatory capacity throughout our analysis is the international environment or external incentives. What is true for any process of regional integration is even more so as regard Latin America.⁶⁸ Therefore, it will prove useful to use theoretical tools such as linkage politics,⁶⁹ double-edged diplomacy,⁷⁰ or internationalization⁷¹ in order to capture the complex relationship between domestic and international politics of integration.

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

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

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the process cannot be separated from building peace or defense. Regional integration is limited in its political dimension, it is always a political ambition.⁷³ As Duina

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

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

Ongoing Process

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

With regard to classical theory, Latin America is somewhere between Europe and Africa. When Donald Puchala suggests that regional integration theory must "center on the gradual reduction of national sovereignty by peaceful means," "explain the phased emergence of regional political authority" and "explain the developing consensus in values, aspirations, policy preferences and general world outlooks among national elites and even among mass populations,"⁷⁶ he is much too concerned with the European case. Even Haas and Schmitter, although writing on Latin America, had a conception influenced by the first phase of European integration⁷⁷ as they considered that "politization implies that the actors seek to resolve their problems so as to upgrade common interests and, in the process, delegate more authority to the center."⁷⁸ But when Nye considers that "the problem in most underdeveloped areas is one of premature 'overpolitization' "⁷⁹ and describes political elites in East Africa too busy building states and nations to bother taking care of regional integration processes, he probably draws a correct picture of Africa in the 1960s that would apply to Nineteenth century Latin America, but not to the contemporary one. Yet, he makes a good point when he deplores that neo-functionalism "places too little emphasis on conscious political action," and that "careful calculation of welfare benefits and economic interests when making decisions makes

sense only when the political framework within which interests interact can be taken for granted."⁸⁰

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

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

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

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

In parallel, some aspects of the neo-functionalist theories can be used to explain the dynamics of institutional building. But likewise, classical arguments such as spill-around⁸⁹ have to be supplemented with symbolic arguments to explain the expansion in the scope of integration without an increase in the level of regional decision-making, a structural characteristic of Latin American integration. We will see that the Presidents can inflate their agendas of talks and create agencies during their summits to send a message to their constituency.

Politics and Policies of Integration:

Integration and Democracy

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

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

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

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

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

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

integration (increase as successes or as failures) analysis.⁹³

This statement remains ought to be measured stated in the treaties. Nations can have different purposes can try to "do" something.

The same relativist approach is worth recalling that "integration," and applied of security-communities of the political decision each territory." The other the "tangible commitment for war. For Deutsch, from a situation where it was no longer the case "integration may involve narrow threshold." And threshold or zone of transition; and they might stay within it."⁹⁵ This

Finally, there is a direct study of the politics and internal and external dynamics, being imitation, (mostly the European case). Some regional agreements the types of programs that are able to receiving funding there is overwhelming. The United States has been a Latin American integration domestic debates, as two

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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