CHAPTER NINE

Regional Multilevel Governance in the Americas?

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

The image of a spaghetti bowl, so often put forward by the economists, seems more relevant than ever. For political scientists, this complex picture raises two series of questions. One consists in examining the type of governance that is being installed. Are there competing jurisdictions? Are there fragmented, overlapping, or crosscutting levels of governance? The other consists in unveiling the symbolic importance of summit diplomacy. What if problem-solving was not the main preoccupation of the presidents when they meet? These two ways of looking at presidential summits are not mutually exclusive.
After an introductory discussion on how the different Schools studying regimes and governance can illuminate the FTAA negotiations, this chapter is composed of four sections. In the first one, I portray the way the Summit process was framed in 1994 by an ideal of convergence and how it rapidly bumped into severe problems. The increasing political polarization of the continent did not however prevent successive summits of the Americas from being held, apparently confirming the hypothesis of ceremonial regionalism proposed by Veronica Montecinos.¹ I discuss this dimension in section two. In the third section, I examine the competing projects in the post FTAA era, and show that they are shaped by the two most active players in the field, the United States and Venezuela. That leads me, in a fourth section, to tackle the issue of hegemony and counterhegemony, before concluding with a classification of the different models of integration.

**Integration and Governance**

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

Stephen Krasner’s classical and widely cited definition of international regimes as “implicit or explicit principles, norms, rules, and decision-making procedures around which actors’ expectations converge in a given area of international relations”¹² is interesting because it helps capturing a wide array of situations, involving different actors. In a way, the definition of regional integration used in this book pursues the same objective. It has been shown that the studies of regimes belonged to three schools, realist, neoliberal, and cognitivist, each one divided into subcategories.³ The realist and neoliberal approaches share the same rationalist way of analyzing international negotiations between states, the cognitivist one being more concerned with the social construction of national preferences. Hasenclever, Mayer, and Rittberger rightly point out that the neoliberal and realist approaches can be alternatively used, depending on the context, while the cognitivist one (in its weak version) refers generally to a preliminary stage of the negotiation.

If I take a look at the Summits of the Americas process, each of the three approaches allows me to highlight a particular dimension of the negotiations accounting to regionalization, the 1988 Transisthmian agenda of regional cooperation, and the 1988 Treaty of Bogotá. That is, the FTAA negotiations as a substitute for regional integration. To the service sectors and intellectual property is concerned, Canada had an interest in achieving a NAFTA-like treaty. The United States was keen to have a market for its services in the end of the global market, most notably financial gains where Latin American economies, which are most integrated in the Basin Initiative, face a market.⁴ For the United States, it was important to help clear the market’s limits, a mechanism that it is not familiar with. Latin American economies shared. Aligned with the contractualist approach,

The realist school also argues that the structure of the negotiations had to be a four ministerial conference.

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

The realist school has valuable tools which help understand the structure of the negotiations. Between 1994 and 1998, a series of problems had to be solved in order to get set for the negotiation. It took four ministerial meetings to find common ground. The number of actors involved. The United States wanted every country to negotiate on its own, while the Latin Americans favored a collective negotiation with each custom union talking as one. This latter solution was finally chosen, reducing the number of negotiators from thirty-four to eighteen. The Ministers agreed that "Countries may negotiate and accept the obligations of the FTAA individually or as members of a sub-regional integration group negotiating as a unit." A second issue was the pace and sequence of negotiations. The United States was pushing for a quick opening
of trade facilitation talks, starting with tariff reductions. Brazil on its side preferred postponing the tariff reduction talks until the end of the negotiations, as they involved greater sacrifices on Latin America’s part.\textsuperscript{7} MERCOSUR’s priority was to start with non-tariff obstacles to market access for their agricultural products, where the United States was expected to offer resistance. They all resolved that the negotiations would “begin simultaneously in all issue areas.” Finally, the most complex issue was related to the conclusion of the negotiation. The United States defended the option of signing partial agreements, while the Latin Americans, under the leadership of Brazil, favored a package deal. They were obviously afraid that the U.S. negotiators would push to rapidly close a deal on tariffs, and then indefinitely paralyze the talks on non-tariffs barriers. On that point, they agreed that “the initiation, conduct and outcome of the negotiations of the FTAA shall be treated as parts of a single undertaking which will embody the rights and obligations as mutually agreed upon.”\textsuperscript{8}

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

Neoliberal and realist approaches can be usefully supplemented by the cognitivist one, in order to understand the choices of issue areas, or more broadly the national preferences defended by the different countries. The nine issue areas selected (table 9.1) were almost all of them suggested by the United States, under the pressure of private interests that had managed to have them included in the NAFTA Treaty.\textsuperscript{12} There is one exception though. Agriculture was included in the NAFTA Treaty (Chapter 19). Brazil succeeded in including its agribusiness interests.

Cognitivism variables. I will argue that the post-cold war era across the northern hemisphere, when “the ascendancy of the leading superpower is no longer a given, and the great-power politics of the cold war, however deformed, is not gone.”\textsuperscript{13} Most of the literature explaining how to negotiate has mostly focused on countries. The explanations and characterizations of the process concern with identifying the actors and delivering. They do not explain the making of the process. In the case of the Americas’ process.

A pioneer in this regard is C.J. Barlow, in a very broad literature on systems toward for this the region “at all levels of government and organization.”\textsuperscript{14} The process, allowing, taking, avoiding resistance.

However, a problem arises. How to analyze the complex processes: multilevel democracy?\textsuperscript{15} To describe a model of “shared by actors in at least two politics, executive circles,” “collaboration and significant loss of coherence” among the different processes: multilevel democracy?\textsuperscript{16} The model competes: policy, politics, adjudication.

In a later work define governance, and make an inter
Regional Multilevel Governance

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

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

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

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

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

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

In a later work, expanding beyond Europe, Marks and Hooghe define governance as “binding decision making in the public sphere” and make an interesting distinction between two types of multilevel
governance, arising from dispersion of authority. Type I multilevel governance is general-purpose, with every citizen being “located in a Russian Doll set of nested jurisdictions, where there is one and only one relevant jurisdiction at any particular territorial scale.” Type II multilevel governance is specialized, and “the number of such jurisdictions is potentially huge, and the scales at which they operate vary finely.”\textsuperscript{17} The two ideal-types differ along four lines: general-purpose v. task-specific; non-intersecting memberships versus intersecting memberships; jurisdictions at a limited number of levels v. no limit to the number of jurisdictional levels; and system-wide architecture versus flexible design.

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

\textbf{From the Myth of Convergence to the Reality of Divergence}

“We cannot recall a time when the opportunities for constructive and sustained cooperation among Western Hemisphere nations have been greater—or when the potential payoffs from such cooperation have been larger. The cold war is over and U.S. policy toward Latin America is no longer shaped and constrained by a preoccupation with security matters. Latin American concerns about U.S. political and economic dominance in the region have subsided, along with fears of unilateral U.S. intervention. Today, across the Americas, we see a convergence of interests and values—focusing on democratic politics, enhanced global competitiveness, and social and economic progress.”\textsuperscript{20}
Right at the end of the cold war, many observers prophesied a new era of convergence in international relations. U.S. president Bush inaugural address on a gentler world and his Enterprise for the Americas initiative (EAI) received a warm welcome among many Latin American elites. For the first time ever, the whole continent (with the only exception of Cuba) was endorsing democracy and the market as core values and ready to build upon them. Convergence became a "magical word."²²

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

The 1994 Summit of the Americas held in Miami embodied this myth of convergence. Essentially because most Latin American leaders thought this exercise of regionalization with the United States would facilitate their access to the U.S. market, help them get set for multilateral negotiations and lock in their own agenda of liberal reforms, they enthusiastically endorsed U.S. proposals. However, the negotiation of a Free Trade Area of the Americas (FTAA) soon proved to be a road paved with many obstacles. The so-called new (investment services, intellectual property) and brand new (environment, labor) issues of the trade talks entailed many painful adaptations for the Latin American countries. Moreover, the discipline the U.S. wanted to impose upon its partners was superior to the WTO's one (dubbed WTO +). As Nicola Phillips rightly points out, "for the U.S., in contrast with Latin America and Caribbean countries, the FTAA project has been less about trade expansion than about instilling a range of trade disciplines in the region which reflect a set of extra-regional and global interests at least as much as they respond to regional priorities."²⁴
Consider the example of government procurements. No Latin American country was party to the WTO Government Procurement Agreement (GPA) signed in 1994, and no regional grouping included provisions on the matter when the FTAA negotiations were opened in 1998. True, MERCOSUR did create an ad hoc group via its resolution 79/97, but no piece of legislation was adopted. By contrast, the agreements that were negotiated following NAFTA’s model, like the G3 (México, Venezuela, Colombia), did include regulations.

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

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

As a result, the negotiations were paralyzed, and six out of the nine issue areas were removed from the agenda of negotiation and sent back to the WTO. After 2005, by all accounts, the FTAA project was dead. The United States had for some time decided to shift to bilateral agreements where the imposition of NAFTA methodology was much easier.
Despite the myth of convergence’s crash landing and the FTAA’s deadlock, the summit process survived and even prospered. I want to suggest in this chapter that the way this contradiction can be addressed is twofold. As already mentioned in chapter four, there are both a symbolic and an institutional dimension that have to be evoked.

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

The second symbolic function of this diplomacy of summits has also already been mentioned in chapter five. The expansion of the summits agenda’s scope allows the presidents to send a signal to their constituency, regarding the need in an era of globalization to transfer problem-solving capacities to the regional level. This postulated governability upgrade might not be grounded but it seeks to produce reality effects. Following that logic, the summits are quite prolific and the topics addressed very diversified. However, interestingly enough, each summit seems to be rather specialized. A study conducted by FLACSO Chile has shown that during the 1990s, the Ibero-American Summits, together with the Rio Group and the Summits of the Americas took a
total of 1,113 decisions, against only 84 for the Asia-Pacific Economic Caucus (APEC). The three summits were also much more politicized than APEC’s ones, which are almost exclusively dedicated to trade-related issues (table 9.2 and figure 9.1). 33

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

Regional Multilevel Governance:
Agendas, Institutions, and Outcomes

Most of these summits have created institutions. In this section, I will exclusively focus on the Summit of the Americas process. 34 The preparation of the first Summit of the Americas kept U.S. vice president Al Gore quite busy during the year 1994. The issues he had in mind when traveling to Argentina, Bolivia, and Brazil in March 1994, namely sustainable development and good governance, were not opposed by his hosts, but they pushed other issues such as trade, poverty reduction,
education, and drugs. In a typical diplomatic exercise, Gore progressively added new issues to his initial short list, the total number jumping from fourteen to nineteen. At the end, the Plan of Action adopted in Miami listed twenty-three initiatives and more than a hundred and fifty action items, grouped into four general objectives: “Preserving and strengthening the community of democracies of the Americas,” “Promoting prosperity through economic integration and free trade,” “Eradicating poverty and discrimination in our hemisphere,” and “Guaranteeing sustainable development and conserving our natural environment for future generation.”

The strong commitment to address the issues and go beyond ceremonial regionalism is what contributed to raising everyone’s expectations. This commitment was embodied in the appendix of the Plan of action, where it specified that “The primary responsibility for implementing this Plan of Action falls to governments, individually and collectively, with participation of all elements of our civil society.”

A genuine division of labor was suggested by the presidents: “Existing organizations or institutions are called upon to implement the package of initiatives that has emerged from this Summit of the Americas. In many instances we have proposed that specific issues be examined by meetings of ministers, senior officials, or experts. We are also proposing that some of these initiatives be carried out in partnerships between the public and private sector.” The Organization of America States (OAS) was given a “paramount role,” while the Inter-American Development Bank (IADB) was asked to “support the activities specified in the Plan of Action,” and other organizations such as CEPAL and the Pan-American Health Organization (OPAS) were “called-upon to assist in the implementation of the action items.” And finally, a list of “initiatives in which public and private sector partnership play an important role” was included.

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

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

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

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

The process was consensual and the process lost its principal actors, but not their influence. The process did not become an agency and the outputs were still not formally institutionalized.

During the 1998-1999 period, the FTAA negotiations were single under the umbrella of “partners and partners,” and regional declarations of commitment on social issues, like the Declaration in Mar del Plata, which were clashes on the way for a former accused to become a president and a president to be accused on the matter.

Interestingly, the warm climate of the first summits with its different actors of government and non-government institutions has cooled down, or three years after its inauguration it could be said. Moreover, the institutions that were designed to be like OAS or IADB, namely the Joint Summit Working Group (JSWG), posted to office in late 2001, and the IADB and all their comprehensive synthesis.

Consider the different types of democratic governance representation, which has been very much a model of the Pan American Democratic and Social Integration Unit for the Promotion of Good Governance and the Peaceful Growth of Democracy.

The Summit process has also given rise to a wide array of different institutions and processes that influence the outcomes of the process. These are dynamic, geared towards a regional governance model.
The process was, by 2001, fully institutionalized and had a rather consensual agenda, yet for a series of reasons mentioned above, the process lost momentum the same year after 9/11. The timing was damaging but not deadly though. Despite the fact that FTAA negotiations were stalemated after 2002, the Summit process kept on going.

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

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

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

The Summit process is a social construction, making sense out of a wide array of different organizations’ missions and claiming credit for the outcomes they deliver. Moreover, it embodies a collective action dynamic, geared at building a consensus and designing a road-map for regional governance of a series of new issues never before addressed at
a regional level, such as corruption, drug trafficking or gender equality. It is also a resource mobilization device, sustaining the momentum for problem-solving at the hemispheric level. And last, it provides the thirty-four members with a voice opportunity, which is far from negligible for the smallest countries, and it allows civil societies to have a say on many topics. However, the Summit process is also characterized by power politics.

**Governance, Hegemony, and Counterhegemony**

Andrew Hurrell can be followed when he advances that “the Western Hemisphere does represent a fascinating vantage point from which to explore the relationship between hegemonic power and regional institutions and to unpack the complex ways in which logics of regional governance interact with the logic of hegemonic power.”67 Indeed, he quite convincingly shows that the 1990s convergence mentioned above was neither the product of learning nor of imposition, but rather of what he calls “coercive socialization.” This notion allows him to grasp “the ways in which interaction within a highly unequal international system leads to the adoption and incorporation of external ideas, norms and practices.” As regards the summit of the Americas process, he sees it as an example of the “power to set agendas, to decide what gets decided and to mobilize bias.” Clarkson saw NAFTA with the same lenses. According to him, NAFTA, “far from producing a system of continental governance in which Mexico and Canada would have had some influence, has reconstituted American hegemony in the form of an economic rule book that establishes an unevenly liberalized market and a set of supraconstitutional constraints on the policy-making options of both Canada and Mexico.”68

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

The example of Chile is emblematic. As Nicola Phillips points out, “certain concessions were made by the U.S. on market access for agricultural goods […] but this was not accompanied by any commitments on the reduction of the provision of food aid agreement which could have been the basis for the U.S. government to participate.”69 Producers, “like textiles and lumber,” were not entailed any shift in policy.

Philippines concluded that “the strategy envisaged called for “incentives” and policies and “suitable” and “suitable” policy-making in the countries that signed.

Testimonies from all of the U.S. immediate negotiations. As the Evangelical movement, for instance, the Malaysian and the presidential campaign statements supported the ratification of the package approved by referenda. There was a strong opposition about the liberalization of the communication sectors.

The resistance movements took the initiative to denounce the Bolivarian Alternative was announced by the meeting of the island of Margarita. Callin sketched the linearity, cooperation,
on the reduction or elimination of subsidies." Moreover,

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

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

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

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

The resistance was even more bitter at the regional level. Venezuela took the initiative to oppose the U.S.-sponsored market-centered conception of regional integration, proposing the aforementioned Bolivarian Alternative for the Americas (ALBA). The idea of ALBA was announced by Hugo Chávez during the December 11-12, 2001 meeting of the Association of Caribbean States in the Island of Margarita. Calling for a revival of the Bolivarian dream of unity, he sketched the lines of a project resting on the principles of solidarity, cooperation, complementarities, and reciprocity. The idea was to
herald a new dawn for the historical endeavor of such nineteenth
century leaders as Francisco de Miranda, Miguel Hidalgo, Marina
Moreno, Simon Bolívar, José Artigas, Bernardo Monteagudo, Cecilio
del Valle, or José Martí. In this sense, the ALBA project is an act
of heritage appropriation that also includes twentieth century anti-
imperialist combatants such as the Nicaraguan Cesar Sandino in the
thirties, or the Argentinean students fight for democracy in Cordoba
in 1918.

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

The Agreement includes such issue areas as productive comple-
mentarity, exchange of technology, alphabeticization, investments,
trade compensation, or culture. The agreement also lists a series of
mutual offers. Cuba offers trade facilitation, a number of 2000 scholar-
ships for young Venezuelans, the assistance of 15,000 doctors to
help Venezuela implement its Barrio Adentro Mission. Venezuela,
among other things, offers transfers of technology in the energy sec-
tor, trade facilitation, and the financing of energy or infrastructure
projects.

Basically what this Plan conceived was Cuba’s assisting to Venezuela’s
social “missions,” mostly in health and education, in exchange for
payment facilities for the supply of oil. Cuban doctors and teachers
would constitute the backbone of a new solidarity between the peoples.
The Strategic Plan mentions the number of 100,000 Venezuelans to
be operated on in Cuba for vision trouble. On its part, Venezuela
would offer to share its reserves of oil with its partners, through a
series of separate agreements with different countries. On April 29,
2006, Bolivia decided to join ALBA, and together with Cuba and
Venezuela, signed a Trade Agreement for the Peoples (TCP). Again,
the agreement is centered on social issues, with Cuba and Venezuela
committed to helping Bolivia reduce poverty and educate the poorest
sectors of its population. The Plan also includes financial assistance
for Bolivian small and medium businesses.
Finally on January 11, 2007, Nicaragua joined ALBA, despite the fact that this country ratified DR-CAFTA, and so did the Caribbean Island of Dominica on January 1, 2008.

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

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

Regarding regional integration, Chávez shot his own project of unifying the continent in the back when he decided to abandon CAN and join the MERCOSUR.59 His move was motivated by a will to punish Colombia and Peru for having negotiated a FTA with the United States, but at the same time he declared that MERCOSUR was too neoliberal and had to be reformed. In a way, he managed to weaken the CAN without much pleasing his new MERCOSUR partners. However, Chávez did contribute to changing the agenda of integration, enlarging its scope to such issues as energy, finance and security. In a way, the treaty of the South American Union of Nations (UNASUR), signed in Brasilia on May 23, 2008, reflects his influence. UNASUR treaty is not so much centered on trade and symbolizes a move toward other issues.

In the three previous South American summits,60 different issues had already been included in the agenda, and UNASUR treaty, as mentioned earlier in this chapter, feeds the dynamics of ceremonial regionalism. Yet, UNASUR does not place trade facilitation at the center of its ambitions. Rather, UNASUR aims at building an “integration and union among its peoples in the cultural, social, economic and political fields, prioritizing political dialogue, social policies, education, energy, infrastructure, financing and the environment, among others, with a view to eliminating socio-economic
inequalities, in order to achieve social inclusion and the participation of civil society, to strengthen democracy and reduce asymmetries within the framework of strengthening the sovereignty and independence of the States.”

UNASUR even includes in its agenda the security issue, but without much precision. This topic spurred controversy, as Venezuela was pushing for a NATO-type military alliance, which was strongly opposed by U.S. allies such as Colombia and Peru. Brazil only envisioned a framework of cooperation and exchange of information.

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

Conclusion: Governance and Contentious Integration

Recently, the 2000s have witnessed a contentious politics of regional integration in the Americas, with competing models that have not been able to converge. Using a stylized model, two sets of variables, already mentioned in the previous chapters, allow categorizing the different processes (figure 9.2). The processes differ regarding, on one side, their level of integration, measured by their degree of institutionalization and the scope of their agenda and, on the other, the types of actors involved and the projects they push forward.

Each category entails a different type of governance. Ideally, we can expect that the most favorable situation as regards governance would be a balanced regional integration process. This process would imply a degree of institutionalization matching the scope of issue areas included in the agenda, and the participation of different types of actors, building a consensus to implement policies generating regional commons (positive integration). That would be a “magic square” (regardless the level between 1 and 4 on figure 9.2). What figure 9.2 tentatively shows is that each regional integration process in the Americas is characterized by an imbalanced type of governance. As mentioned in previous chapters, CAN and SICA are characterized by complex institutionalizations, overloaded agendas, and the modest involvement of civil societies. Moreover, they face many obstacles when actually trying to implement decisions and cross the threshold of positive integration. CARICOM more or less follows the same pattern, yet with a
more participatory civil society. MERCOSUR has a lower level of institutionalization and a more modest agenda, and above all has innovated with regards to positive integration implementing an incipient redistributive policy. NAFTA and other U.S. sponsored FTAs’ main differential feature relies on the private public partnership to implement the mandates. Finally, ALBA possesses an allocative dimension but no regional institution to sustain it.

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