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Adjusting to Changing Political and Economic Dynamics:
The European Union and its Efforts to Promote Regional
Integration in the Americas

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Abstract

Regional integration in Latin America has stalled over recent years, with some claiming that integration is ‘dead’ whilst sovereignty is ‘back in’. Arguing that such assessment is basically correct, this paper seeks to identify some of the key factors explaining this situation and the change this represents from the previous period of activism in terms of constructing regional organizations. Making the distinction between ongoing unresolved strategic factors and specific contemporary factors to explain the current situation, it is argued that the changed political and economic dynamics of the region have serious implications for the European Union in its efforts to promote regional integration, dynamics that the EU has been slow to respond to. The paper ends by making some suggestions about how the EU can respond to these changes and argues that one key change will have to be in relation to its expectations about what regionalism in Latin America can realistically achieve.

1. Introduction

The political and, especially, economic relationship between the European Union and Latin America goes back a long way. According to the EU's own figures, the single market is Latin America's second biggest trading partner behind the United States and the volume of trade between the two regions has doubled since 1990s.¹

This intensification of trade might indicate that the European Union is well on its way to achieving its broader political objectives in the region, especially the promotion of regional integration in order to tackle some of the region's most profound structural challenges, such as the vastly unequal distribution of wealth, corruption and political/institutional reform with the aim of creating more political stability as well as integrating civil society into decision-making processes.²

Yet, regional integration has, at best, stalled over recent years and, at worst, gone into reverse in Latin America. In fact, some commentators have detected a significant change in political attitudes towards such processes by some of the region's most important countries, a trend which the European Union has, so far, seemed unable to stop or reverse.³

The aim of this paper is to evaluate the difficulties the EU has had in promoting this strategy. It will be argued that the changing regional dynamics brought about by the relative political rise and economic prosperity of some countries – such as Brazil – and the continued instability and economic difficulties of others have made the advancement of regionalism as currently pursued by the EU more difficult. It will be shown that there is an urgent need for the EU, as well as other interested parties, to understand these changed dynamics and adapt their policies accordingly. In order to facilitate such a change, this work will make some initial suggestion as to how this can be done.

¹ See, for instance, European Union (2009)

² For details, see European Commission (2009)

³ See Malamud & Gardini (2012)

2. Regionalism in Latin America: A historical overview

Regionalism – a concept which, according to Fawcett (2005: 23), has become much more ‘expansive and fluid’ over the decades is understood here as a policy *and* a project whereby ‘state and non-state actors cooperate and coordinate strategy within a given region’ (*ibid*: 24) - has a long tradition in Latin America.⁴ In fact, today, the region has a myriad of integration and cooperation schemes, leading some to comment that there exists an ‘alphabet soup’ of regional organizations (Glickhouse, 2012). However, as will be shown now, this proliferation of regional groupings over recent decades does not indicate that regional integrationist schemes have been particularly successful or that there has been a unified approach by Latin American states to the question as to why regionalism is important and useful. Rather, the proliferation of such schemes underscores the fundamental problems of the region, with critical implications for the European Union in promoting regionalism as a problem-solving political tool.

Attempts at creating some kind of pan – American framework for cooperation and/or integration can be traced back at least as far as the 19th century. In 1826 Simon Bolívar convened the first Pan – American Congress, in many ways a response to the Congress of Vienna, which laid the foundations for the Concert of Europe, and the declaration of the Monroe Doctrine of 1823, declaring Latin America a principal interest of the United States’ foreign policy.⁵

However, Bolívar’s dream of pan - American unity never got off the ground. In fact, the Congress met only three times – on average once every 10 years – and was unable to get any serious initiatives off the ground, hindered by disagreements about the specific aims and scope of the project, a theme which, as will be shown below, would reoccur in later integration efforts.

According to Nogués and Quintanilla (1993: 280) scenarios for (economic) integration were only brought back to the forefront of the political debate in the region after the end of the Second World War, ‘in the late 1940s and the early 1950s.’ Over the following

⁴ On the historical waves of Regionalism in Latin America, see Malamud (2010).

⁵ See Pastor (2005)

20 years a large number of organizations, institutions and arrangements were launched, most notably the Latin America Free Trade Area (LAFTA, 1960), the Central American Common Market (1960), the Andean Pact in (1969) or the Caribbean Community and Common Market (1973), to name but a few.

Apart from the sheer number of schemes launched, the most notable aspect of the ‘first wave’ of regional integration schemes in Latin America was, first, the heavily economic focus of the proposals and, second, the *sub*-regional nature of the schemes and organizations created (*ibid*). There was, in short, no pan-Latin American integration scheme. As will be shown below, this is the result of deep-lying trends and problems in the region when it comes to regional integration.

The success of these schemes was, at best, mixed, especially when one considers the economic aspect. Unlike in Western Europe, integration did not proceed quickly or even at all in some cases, and the region continued to be blighted by economic instability and, at times, sharp economic downturns, high inflation and currency crises. The emergence of military dictatorships in many of the regions’ countries also did not help foster a political context conducive to regional integration.⁶

It was only with the re-democratization processes in the region that regional cooperation again gained more space on the political agenda, spurred on by the leadership – especially – of Brazil and Argentina at the end of the 1980s and the beginning of the 1990s, leading to a so-called second wave of regionalism which saw the creation of organizations such as MERCOSUL, the Andean Community and, latterly, UNASUL, as well as several others.

This new wave of regionalism coincided with – and was heavily influenced by – several key developments both within the particular region, as well as globally.

First, as already mentioned above, the re-democratization of the region was hugely important. The newly-elected governments, freed from the political considerations which the Cold War had placed upon them had a certain amount of freedom to re-

⁶ See Keen & Haynes (2008) for a historical overview

orientate their respective country's foreign and economic policy. In several cases and, crucially, in the case of Brazil and Argentina, this led to an opening of the economy and a conscious attempt to integrate more actively with the world economy.⁷ Second, and spurred on by the rhetoric of globalization and the successful implementation of the European Single Market, South American leaders engaged in 'competitive region-building' (Fawcett 2005: 30), trying to emulate, above all, the economic success of the European project, the single market fitting in nicely with the more liberal economic policies and rhetoric. Third, the newly elected democratic governments did make, in some cases, concerted attempts to insert themselves into the international political arena, especially with regards to attempt to adjust the international economic order to post-Cold War realities, as well as debates about the reform of certain key international institutions, such as the United Nations.⁸

Regionalism, therefore, served several key objectives of the democratic Latin America: it held out the promise of economic growth in a globalizing world and increase the political presence and, it was hoped, influence of the region in the face of profound political changes in the international system after the Cold War. As a result, some key governments – notably Brazil under the leadership of Fernando Henrique Cardoso and Lula – adopted regionalism as a key plank of their respective foreign policies.⁹

These developments played into the hands of the European Union, for whom Latin America has historically been an important region, both for historical-political reasons as well as for economic considerations. Politically, the European Union has long-standing ties with the region, what with two of its member-states being the principal colonizing powers of Latin America, in the form of Spain and Portugal, with a minor role for France and the United Kingdom. Economically, as already shown in the introduction, the EU itself identifies Latin America as one of its most important markets. Taken together, it is no surprise that there has been a long-standing relationship between the EU which goes back several decades and which has been repeatedly re-affirmed by the Union itself.¹⁰

⁷ See Altemani & Lessa (2008)

⁸ See Costa (2009)

⁹ *Ibid.*

¹⁰ See European Commission (2009).

The *objectives* of EU policy towards Latin America reflect both the economic and political aspects touched on above. Economically, the EU spent much of the last two decades trying to promote intra-regional cooperation and the opening up of trade between the two regions, as exemplified by the opening of negotiation about a free trade agreement between the EU and MERCOSUR in 1999.¹¹ Politically, the EU has re-stated at various points its intention to promote regional integration in Latin America as a way of confronting a variety of issues, ranging from fighting poverty, to environmental protection to promoting education and social cohesion. In the words of the European Commission, promoting regional integration remains a ‘strategic policy priority’ in respect of all the major political and economic objectives pursued by the organization in the region. The Commission sees regional integration as an ‘effective tool to foster sustainability and growth’ (Commission 2009: 7), especially through the continued support for ‘sustainable infrastructure development [...], promoting interconnectivity [which] implies devising joint initiatives and projects involving the public sector, the private sector, and financial institutions’ (*ibid.*). This is particularly urgent since crime, some regional conflicts and political instability in some parts of the regions have been identified as increasing problems whose solutions are key political priorities (*ibid.*).

Yet, despite all of this, there is a growing consensus between analysts and indeed many politicians that regionalism in Latin America has, at best, stalled and, at worst, gone into reverse. Crucially, this conclusion applies to both the economic as well as the political sphere.¹² This failure can be demonstrated across various areas of political activity, has various causes and has critical implications for the European Union and its action within the region.

3. The problems of Latin American Regionalism

20 years after the beginning of the second wave of regionalism in Latin America, Andrés Malamud summed up the current state of regional integration in the following terms:

‘20 years after its foundation, the common market of the south, MERCOSUR, has failed to meet its declared goals. Far from being a common market, and not yet a customs union, -or even a fully-fledged free trade zone-, it has neither

¹¹ See Aggarwal & Foggarty (2004).

¹² See, for instance, del Arenal (2009)

deepened nor enlarged. Remarkably, all other regionalist projects in Latin America fare even worse...’ (Malamud 2012: 178).

Asked about this declaration at a seminar last year, Malamud argued that many of these projects still exist simply because the price of shutting them down would be higher than the price of keeping them going as they are. In fact, as already mentioned above, over many years, the response to the failure of one or other regionalist scheme was simply to create others, compensating, as it were, the failures of previous attempts.

The question, then, is why there has been such failure, despite the fact that, as shown, many countries in the region – led by Brazil during the presidency of Lula – had elevated the promotion and strengthening of regionalism to a specific goal, indeed a guiding principle - of their respective foreign policies.¹³ In answering this question, it is worth making a distinction between the problems in making existing regional structures work and the broader problems confronted when trying to promote regionalism as a political approach.

In terms of the problems relating to the specific regionalist schemes already in operation, the striking thing is, first, the lack of agreement between the member states about the general objectives of any given organization and, second, the continuing mistrust between member-state governments. It is possible to demonstrate the first issue by looking at the history of UNASUL, and the second by looking at recent development of MERCOSUR.

UNASUL was the brainchild of former Brazilian president Lula. Created in 2008, it brings together 12 Latin American countries and aims, amongst other things, to establish a common market amongst its member states, enhance cooperation on matters of defense policy, develop a common approach to South American infrastructure projects as well as other issues, such as health policy.¹⁴

Yet, despite these often grandiose aims the overall impact of UNASUL has been limited. *The Economist* summarized the workings of UNASUL as an interplay between

¹³ See, for instance, de Almeida (2009)

¹⁴ For a broader analysis of Lula’s approach see de Motta Veiga & Polónia Rios (2010)

‘Lula and his squabbling friends’.¹⁵ Apart from disputes about specific issues, such as the plan to establish American military bases in Colombia, there have been far broader disagreements about overall objectives of UNASUL. For Brazil’s foreign ministry, Itamaraty, the objectives of UNASUL are the ‘strengthening of political dialogue between member states and the deepening of regional integration’. Yet, what that precisely means in practice has been a source of continuous disagreement and debate between the member states. For instance, whilst Chile has been quite specific in stating that it sees UNASUL primarily as an instrument for strengthening social inclusion, as well as furthering infrastructure development and ensuring a continuous energy supply, Bolivia sees in UNASUL a chance to create a ‘union of peoples’, whatever that may mean in practice. Whilst some see South American integration as a pragmatic way of furthering economic and political interests, others, such as former Venezuelan president Hugo Chavez, talked about the organization in ideological terms (*ibid*).

Bearing in mind these strikingly different perspectives, it is hardly surprising that, so far, little has come of UNASUL in practical political or economic terms, perhaps with the notable exception of cooperation on health matters through the UNASUL Health Council.¹⁶

A second key problem in relation to the organizations already in existence is the lack of trust which exists between member states, an issue which was clearly demonstrated recently in relation to the acceptance of Venezuela into MERCOSUL, the so-called Common Market of the South, in 2012. Having initially applied to join in 2006, Venezuela’s accession to the block was ratified by Argentina, Brazil and Uruguay but was held up by Paraguay. Yet, the suspension of Paraguay in 2012 for supposedly breaching the ‘democracy clause’ of MERCOSUL in the impeachment process against the then president Fernando Lugo, allowed for the other members to wave through Venezuela’s entry, a move described by several commentators as illegal. Paraguay itself has threatened legal proceedings against the move once its suspension is lifted.¹⁷

¹⁵ *The Economist* 13 August 2009

¹⁶ On UNASUL Health, see Buss & Ferreira (2011)

¹⁷ See *Exame* 12 September 2012: ‘Paraguai: Mercosul quer entrada da Venezuela com armadilha’.

Leaving aside the legality or otherwise of the process, the whole episode illustrates that even 20 years of integration efforts have not led to a relationship of trust between South America's political leaders. Crucially, however, such political trust is a key foundation for any institutional progress, since integration efforts in the region are almost exclusively dependent on progress agreed between presidents, 'presidentialism' being the principal *modus operandi* for Latin America's regional groupings, lacking, as they do, a strong, resilient and reasonably autonomous institutional and political structure.¹⁸

These specific problems also point to – and are the result of – a number of broader strategic issues which make regionalism in Latin America more difficult. The first of these was already touched upon in relation to UNASUL: What is regionalism in Latin America actually *for*? In the economic sphere, for much of the first wave of regionalism, the aim was one of *protecting* the particular region from outside competition. This so-called 'closed regionalism' aimed at insulating regions from outside competition, pursuing, for instance, strategies of import-substitution as a way of ensuring economic growth and self-sustainability. This changed during the second wave from the 1990s onwards when regionalism was seen as a way of promoting exports and *opening up* other markets. Following the example of the European Single Market Project, both MERCOSUL and UNASUL formulated similar aims.¹⁹

Yet, in South America, there has never been a consensus between leaders about pursuing this form of 'open regionalism' or, even if there was, about until which point this strategy should be pursued. As several commentators have pointed out, protectionist measures from one government or other are still common and national attitudes towards free regional trade change frequently, depending often on the whims of populist presidents responding to domestic situations or pressures, as in the case of Argentina currently or Venezuela over recent years.²⁰ Linked to this, there is no overall consensus in the region about the broad macroeconomic approach to be taken, best illustrated by the differences between those countries – such as Venezuela, Bolivia or Ecuador – who follow a particular model of a state-run economy – in the words of Chavez 'the

¹⁸ See, for instance, Cheibub *et al.* (2011)

¹⁹ See, for instance, Fawcett (2005)

²⁰ See, for instance, Maihold (2009)

socialism of the 21st century’ – and those countries, such as Chile or Colombia, who follow broadly liberal economic policies, aimed at opening up markets.

A second key strategic question which has never been fully answered – but which has a significant impact on any scheme of regional integration – is the relationship of the region with its most powerful neighbor – the United States – as well as the relationship with the most powerful countries in the various sub-regions, for instance Mexico in Central America or Brazil in South America.

The United States have had a long-standing political interest in the region, as exemplified by the Monroe Doctrine already mentioned above. That the U.S. should have an important role is hardly surprising, bearing in mind its political and economic importance to the region. Yet, this involvement has, over time, led to widely different reactions from its southern neighbors, both inspiring and hindering regional integration projects. In simple terms, the relationship with the United States has been one of the key cleavages whenever Latin American countries have thought about and constructed regional integration. For some of its southern neighbors and during some periods, regional integration has been used as an instrument to *insulate* Latin America from the influence of the United States, seeing it as one way of gaining leverage over the continental superpower and, therefore, rescuing or recovering some of its own autonomy and independence. For other countries across time, integration has been seen as a way of *ensuring* American influence, binding the participant countries into the American block and therefore enjoying the ensuing advantages, for instance in terms of security but also in terms of commerce. Often these competing aims of objectives in relation to North America have led to severe tension within and between Latin American countries.²¹

To complicate matters further, the positions of Latin American countries in relation to the United States have changed over time, with Venezuela once again providing an excellent example. From being one of the most reliable U.S. allies during the Cold War, the country today represents the most strident opponent of U.S. influence, seeing regionalism precisely as one instrument to keep the United States at bay. Such strident

²¹ For an overview, see Smith (2007)

positions are in stark contrast with the far more pragmatic approaches adopted by countries such as Brazil or Chile.²²

At the same time, and at an even more basic level, there has never been a clear concept of the *region* within Latin America. For instance, the term ‘Latin America’, whilst apparently clear to outside observers, has, for centuries, had little resonance in Brazil, as Bethell (2010) has shown, pointing to a number of cultural and social differences, as well as a significantly different strategic outlook in political terms.

4. Regionalism in retreat: Specific contemporary factors

Yet, these factors alone are not sufficient to explain the current difficulties experienced in the region in relation to Regionalism. To do so, we also have to look at more recent specific developments in the region as a whole and some countries specifically.

The first of these factors is actually the result of a distinctly positive development over the last 15 years or so: broadly speaking, continuous economic growth. In particular, this trend can be observed in the region’s most powerful country, Brazil, which has enjoyed more than a decade of almost continuous economic growth, coupled with certainly the *perception* of increased political influence. There is, according to Michael Shifter (2012), ‘growing self-confidence and prominence in global affairs’ in Brazil. This, in turn, has had significant political consequences. Apart from continuing to push for a permanent seat in the UN Security Council, the country has played a prominent role within the G20 grouping, has increased its participation in UN peacekeeping missions, particularly in Haiti, has had a leading role in negotiations within the context of the WTO and has been a prominent proponent of the BRICS group of countries of emerging economies.²³

However, noticeably, the instruments through which the aim of a larger political role is being pursued have changed. From being one of the key promoters of regionalism, recently the country has followed a more unilateral path, as evidenced by its reaction to the military coup in Honduras in 2009, when the government allowed deposed President

²² For one take on the ongoing changes, see Crandall (2011)

²³ For an overview of Brazil’s expanding foreign policy agenda, see Sweig (2010).

Zelaya to stay in its embassy. Lula's successor, Rousseff, has, in general terms, not been a great promoter of regionalism, but rather has charted a more independent course, as Rothkopf (2012) has shown. Regional instruments are being ignored in favor of individual solutions, a process aided by the extremely weak – often non-existent - institutional structures of the overlapping regional institutions created to deal with just such issues.²⁴

Ironically, the weakness of the regional structures is reinforced by the growing *instability* of some countries and the emerging economic problems for the region as a whole and some countries in particular. Whether one looks at Venezuela, Honduras or Colombia, everywhere one is confronted with political situations which are, at best, in flux.

In Venezuela, the question of who will succeed President Chavez has added to the uncertainty already stoked by tensions over the government's interpretation of the constitution in relation to presidential succession, with accusations being labeled that certain key constitutional provisions are simply being ignored in order to ensure the continuation of 'Chavistas' in power. Add to this, serious economic problems such as rampant inflation, and the scenario which presents itself is one of growing instability.²⁵

Other countries in the region similarly suffer from particular local problems which make advancement in regionalism difficult. In Colombia, the civil conflict between the government and the Revolutionary Forces (FARC) is ongoing, despite a new attempt to re-start peace talks.²⁶ Meanwhile, in Central America, the continuation of grinding poverty coupled with political instability and the persistence of alternative power structures – for instance in places like Honduras – make any notion of regional integration seem fanciful. In fact some, like Frank (2012) have argued that the situation in that country has steadily been getting worse.

What all this amounts to is a persistent tension at the heart of Latin American politics: On the one hand, there is a growing sense of confidence within the region, a belief that

²⁴ See Malamud (2012)

²⁵ See *The Economist* 9 March 2013: 'Now for the reckoning'

²⁶ On some of the issues facing the Peace talks, see Nussio & Howe (2012)

the region is finally shaking off its culture of dependency and deference, be it to the United States or 'the West' in general. This growing confidence has led to a re-evaluation of the merits or otherwise of regional integration, with the general conclusion being that 'regionalism is out, sovereignty back in', as Malamud (2012) put it.

On the other hand, many of the problems which have plagued the region over the decades have still not been resolved, be they strategic in nature or particular to a specific country, leading some to argue that the region is 'not ready for primetime' (Castañeda, 2010). As such, many of the issues that gave rise to regional initiatives over the years are still present, but the interpretation made by governments about them and how best to tackle them have changed. The *context* within which these issues are being seen and tackled has moved on and has acquired different dynamics. These different dynamics have significant consequences both for the prospects of regionalism as a whole and for the European Union's actions in promoting such processes in particular.

5. Mapping complexity and uncertainty

As mentioned above, the European Union has had a long-standing political and economic relationship with Latin America. Yet, over recent times it is fair to say that this relationship has been difficult, reflecting, in many ways, the problems touched on above, as well as the internal difficulties that the European Union itself has had.

One can detect this frustration by looking at the EU's own language in relation to the region, as written in the various regional- and country specific strategy papers developed by the organization itself. For instance, in assessing the state of the partnership between the European Union and Latin America, the Commission freely admits that 'more should be done to harness the combined weight of Europe and Latin America to tackle the many global issues on which policies converge' (European Commission 2009: 5). In simple terms, the 'full potential [of the bi-regional dialogue] has not yet been entirely unlocked' (*ibid*: 6).

To get a sense of why this is the case, one only has to look at some of the specific strategies that the EU has in place for the countries of the region. In relation to the broader project being presented here, the strategies for Colombia, Venezuela, Ecuador

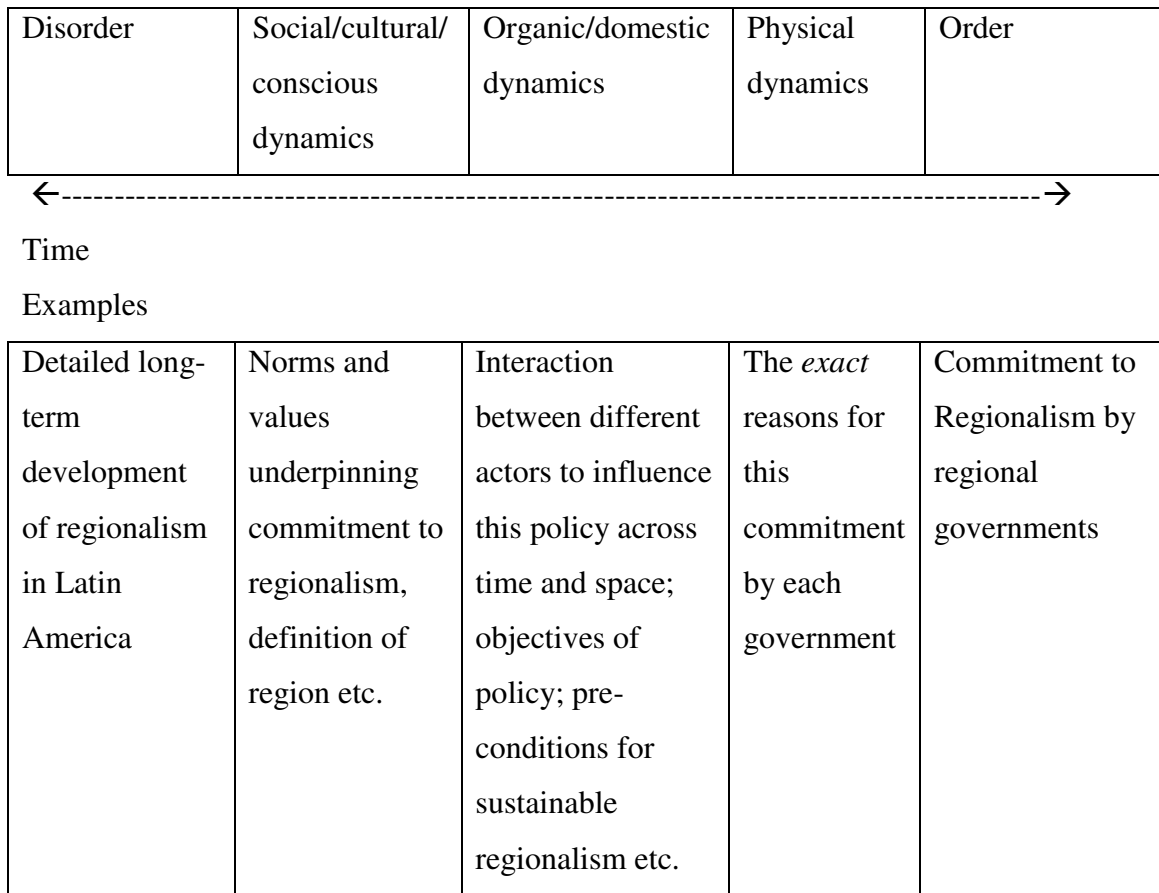
and Honduras are of most interest here. For instance, in relation to Honduras, the European Union has complained about a lack of cooperation from the government, leading the Commission to suspend disbursement of financial aid in 2009, following the military coup in the country. The EU has also complained about a lack of political will to implement the 'required' economic reforms and has, in general terms, been dissatisfied with the government's progress towards meeting the objectives of its Poverty Reduction Strategy (European Commission 2010a: 3).

In relation to Colombia, Venezuela and Ecuador the European Union has pointed to the difficult security situation in some areas as a particular challenge, citing as one example the difficulties confronted in parts of Ecuador, where '[s]ecurity and the rule of law have deteriorated in Northern Ecuador through the effects of drug production in Colombia and trafficking routes through Ecuador' (European Commission 2010b: 10).

In response, the European Union has adopted a number of action programs in order to reduce corruption, fight drug trafficking and increase the involvement of civil society in order to improve the efficiency of EU aid (*ibid.*). It has also frequently urged governments to do 'more' in order to tackle the problems identified. However, many of these initiatives have been heavily criticized for both political and practical reasons. In what follows it will be argued that their biggest problem is the fact that they have not taken account of the changed dynamics of the region outlined briefly above. As such, they are unlikely to be successful in restarting a concerted process of regional integration, with significant implications for broader EU policy in relation to the region in general and conflict resolution in particular.

In order to understand why, it is important that one looks at these dynamics and what they represent. To do so, in what follows the paper will 'map' the various dynamics in a basic form using the so-called Complexity map, originally developed by – and adapted from – Geyer (2003), co-incidentally to re-frame our understanding of the dynamics of European integration. Using this map, it will be possible to re-frame our understanding of the dynamics of Latin American regionalism and identify the problems in the common EU approach. It will also allow for a clearer understanding of the dynamics of the specific case studies marked, as they are, by patterns of conflict and, therefore, disorder.

Figure 1: Regionalism as a complex phenomenon in Latin America



As can be seen from the figure – and from the factors already alluded to in the text - even during a time of a broad commitment by regional governments to regionalism, there were significant differences between them about some fundamental question regarding this commitment. As shown, the exact reasons why governments supported regionalism differed across time and space. The *specific* reasons for promoting regionalism depended on a huge variety of factors across a number of densely interconnected levels of analysis, including national and sub-national levels which are critical in determining the effectiveness of any political strategy for the promotion of regionalism.²⁷ It is also worth noting that the region often does not have the critical pre-conditions for a successful process of regional integration, as outlined by Malamud (2010). Some of these factors have little to do with political will or are in any way changeable, such as the geographic vastness of the area which makes the establishment and maintenance of significant contacts between politicians and vast parts of the population very difficult, hindering the formation of common interests, recognition of

²⁷ On the particularities of the Brazilian case see, for instance, Ramos Becard (2009)

common problems and, in general terms, the creation of *demand* for regional integration.

Variables like political will, of course, also play a part in determining the chances of success of regional integration schemes. Yet, in Latin America such factors are determined by often widely differing national and local factors, be they located in the interaction between the various parts of the national political system²⁸, be they the existence of parallel power structures with whom the ‘official’ state interacts but over whom it often has little to no control (such as in the case of Honduras²⁹) or be it the need to maintain the support of an often fractured political support base and wild populist swings of government policy (as in the case of Argentina³⁰).

All these issues do not even begin to touch on the more profound differences between the countries already touched upon earlier in the text: their historic and cultural differences, their different interpretations of the term ‘region’ and of the term ‘sovereignty’, their differences in values etc. Add to this the often very different way of personal interactions and the picture one gets as a context for trying to promote regional integration becomes very different than would exist in Europe.³¹

All these factors, then, are crucial in explaining the region’s different approach to regionalism and have critical implications for how the EU, or indeed any other political organization or actor, can interact with, and influence developments within, the region. Critically, they can begin to explain – at least partially – the seemingly inconsistent nature of national behaviour, the seeming inconsistency of national policy in regards to regional integration and are critical to seeing the EU’s frustrations about the slow progress of regional integration schemes in a new light.

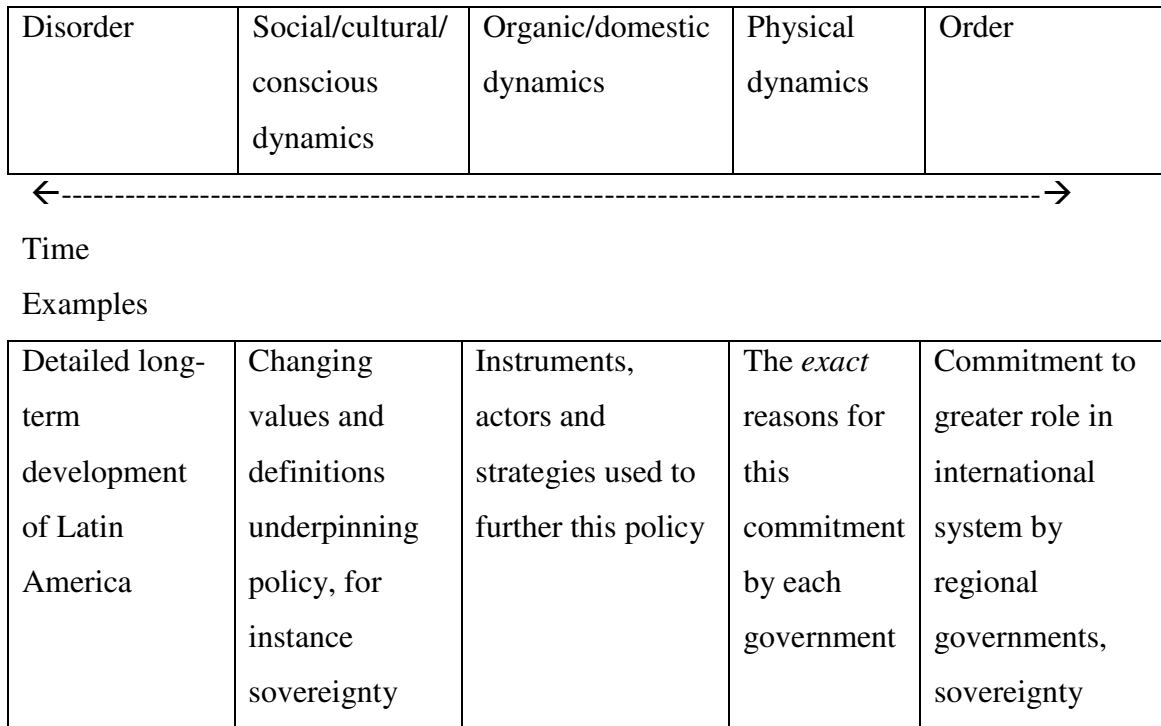
²⁸ For a detailed discussion on some of the issues related to this question, see Jobim, Etchegoyen & Alsina (editors) (2010)

²⁹ Frank (2012)

³⁰ See Caldas (2013)

³¹ On the importance of such differences, see Arias (2011)

Figure 2: Regionalism and the new dynamics in Latin America



This situation becomes even more complex when one takes into consideration the recent change in regional dynamics outlined above and the tensions this has brought, principally the tension between a *sense* of growth and the wish for additional international influence on the one hand and the ongoing instability and unresolved strategic questions on the other.

Crucially, this change has meant that regionalism has moved from being an objective in itself to being a *potential* instrument for furthering particular national objectives in some cases. Whilst one might argue about the practical achievements in regards to Regionalism during the 1990s and the first decade of the 2000s, as some have done, there was little doubt that, in rhetorical terms at least, several key governments made regionalism a key policy commitment. This is no longer the case or, at least, not to the extent that it was.

Whilst this change in itself makes the promotion of regionalism more difficult from the EU's point of view, it does not mean that the differences between the countries *within* the region have lessened. In fact, sharper divisions may be coming into view.

Firstly, there is little agreement between governments about what ‘a greater role’ for the region means in practice or whether and why that would be a good thing. For instance, whilst Brazil seems to have essentially abandoned any attempt to significantly move forward organizations like MERCOSUL or UNASUL, the late Venezuelan president Chavez often talked about MERCOSUL as a key plank to move Venezuelan policy objectives forward without, however, defining those interests in regional terms. Rather, he defined them in stridently ideological terms and counted as his key allies in this fight for the ‘socialism of the 21st century countries – such as Bolivia or Ecuador – who are not full members of MERCOSUL.’³²

Other countries have come to similar conclusions but for different reasons: For Argentina, for instance, the importance attached to sovereignty and independence has much more to do with internal instability than any economic consideration, as Caldas (2013) has stated. In Colombia, domestic priorities – such as renewed attempts to resolve internal conflicts – have taken priority over regional integration. Crucially, there is little evidence that regionalism is particularly useful or desirable as a tool for *resolving* these internal conflicts, *bi-lateral* presidentialism enjoying a far higher priority, as Malamud (2010) has shown. In relation to this particular case it is also noteworthy that there have been considerable tensions *about* sovereignty between the countries involved, as the tensions between Ecuador and Colombia since 2009 show.

There has, hence, been a clear change in the way countries in the region *perceive* themselves and this has led to a reformulation of concepts such as sovereignty, with significant impact on the relationship between the countries within the region and to the detriment of the functioning and effectiveness of the regional institutions already in existence, as clearly demonstrated by the reaction to the military coup in Honduras.³³ Applying these new perceptions of themselves to their own specific situation, countries have basically come to different conclusions about their policy objectives and, critically, their policy priorities, often focusing more clearly on domestic issues and, in other cases, broadening the horizon of their political involvement. Regionalism – and the institutions it has brought forward – has been left squeezed in the middle.

³² On the specific Venezuelan case, see Corrales (2009), on the broader regional dynamics see Dabène (2009)

³³ See Glüsing (2009)

6. Implications for the European Union and conflict resolution in Latin America

Bearing in mind the above, it is perhaps no surprise that the overall assessment of recent EU-Latin American relations made by several analysts are quite downbeat. As del Arenal (2009: 3) put it: ‘Despite the holding of 5 summits [between the EU and Latin American countries] no significant progress in them has been achieved.’ This applies both to strengthening the political dialogue between the regions, as well as the economic aspects of the relationship with, for example, negotiations between the EU and MERCOSUL about an association agreement effectively abandoned.

In trying to explain this apparent stalemate, commentators have frequently criticized the EU for not perceiving – less so reacting to – the changed dynamics that are apparent in the region. As, again, del Arenal complains: ‘[S]ince the mid-1990s, despite the decisive changes that have taken place, the EU has not modified its strategy for relations with Latin America significantly’ (*ibid*: 4). Freres and Sanahuja (2006) simply attest that the current EU approach is inappropriate for serving either Latin American interests or those of the EU.

Reading some of the strategy documents put out by the EU – and as already touched upon earlier – such a damning conclusion may be a little bit unfair. As shown above, there is *some* acknowledgement on the part of the EU, that its traditional strategies are not having the desired effect.

Yet, what is missing is a clear debate about what that *means* for EU policy and their objectives. Certainly, in terms of the official position, there has been little change from the basic tenants of the EU policy approach, principally the promotion of regionalism as a way of dealing with some of the most challenging Latin American problem. All the EU documents cited in this work make specific reference to this strategy. This, for its part, seems to suggest a failure on the part of the EU to *engage* with the changed dynamics outlined in this text or, at best, to understand them. In case of a continuation of the promotion of regionalism as the principal policy objective, what may have to be adjusted are the expectations one attaches to this strategy. In other words, what kind of

regionalism would *emerge* as a result of these efforts would fall short of the ‘ideal-type’ scenario in Europe.

That in itself brings us to another key issue which deserves attention. Bearing in mind the current crisis within the European Union, the selling of the European example to other regions as one to be followed would seem to be considerably harder, if not impossible. As such, the chances of engaging in and with the key players of the region would be considerably enhanced if there was some kind of acknowledgement on the part of the EU that its kind of regionalism is *not* perfect, is subject to considerable difficulties and can, at times, go wrong. In other words, the *prototype* of regionalism promoted by the European Union itself is imperfect. As such, the regionalism which may or may not emerge in a region which has few of the advantages of Europe in terms of facilitating such process will also be considerably *different*. There needs to be, then, a more flexible attitude towards regionalism in this region on the part of the EU.

These problems only get amplified when one applies the above argument to the specific *conflict* regions that are the key focus of the overall project. For instance, whilst in Europe the conflict which led eventually to the creation of what today is the European Union was *between* two of the founding members, the key conflict in the case of Venezuela, Colombia and Ecuador *involves* the three countries but has not put them into *direct* conflict, nor does there seem to be the imminent risk of such a conflict. As such, there is consciousness about the regional nature of the conflict but not about what this signifies specifically for each country whilst each is also being affected by the conflict in different ways. This, in fact, in some ways reinforces concepts of sovereignty and independence as a way of protecting oneself from other aspects of the conflict, a point which can be made in similar fashion in relation to Honduras.

Taken together, one can attest that the European Union is confronting a highly disorderly landscape within widely differing regional and local circumstances which it, as an organization, has few possibilities to move to a more favorable state, at least in the short term. Bearing this in mind, what can the European Union realistically do?

First, the EU has to acknowledge its own limitations and, as it were, forget about the region and grand regional designs. Rather, there have to be concerted efforts to engage

individual players on specific issues over which it may have an influence. In the broad scheme of things, this is beginning to happen, as can be seen by the EU's increasing engagement with Brazil, as opposed to MERCOSUL or UNASUL. Equally, it is interesting that during the 2007-2013 financial perspective, the strategies mapped out for the region have been much more focused on specific countries than the region as a whole. Even though these strategies still talk about the importance of regionalism as a key plank of economic development and, indeed, conflict resolution it is, there is little pressure to design grand integrationist schemes (**ref**).

The second key theme to emerge out of this is, as already stated above, is that of expectations. There has to be some humility on the part of the EU in acknowledging its own problems, how these problems have impacted on the attractiveness of regionalism as a political strategy in a region which is, independently, changing its outlook and what any regional scheme would look like even if it were to get off the ground. In many ways the best the EU can hope for is to incentivize changes of behavior from the key actors, encourage experimentation in engagement through proposals which these actors may consider 'good enough to try' without, however, having any certainty of the outcome, both in terms of the structures and interactions that may emerge and the impact these may have on the problems being confronted. In other words, the EU has to acknowledge its own limitations.

Thirdly, and particularly bearing in mind its own problems, the EU ought to see its engagement in the region as a *mutual* learning process. Reading the programs and schemes the EU has for Latin America there seems remarkably little knowledge about the highly complex developments and interactions going on within the region and between it and other regions. As such, it would be very difficult for the EU to respond to the *particularities* of both the region and each country – each conflict – within it. The Latin American region is far more complex – in a descriptive as well as a conceptual sense – than the EU is at least publicly willing to admit. However, knowing what and who one is dealing with is critical. From the country and regional strategies that exist, there seems to me to be insufficient knowledge of the differences that exist in the region

across time and space and the differences these make in terms of impacting on policy effectiveness.³⁴

7. Conclusions

The above is obviously a very broad review of the numerous factors which, in their combination, have made Regionalism a very difficult project to advance in Latin America, if not in terms of the numbers of regional schemes then certainly in terms of the effectiveness of these schemes in achieving the aims they have set out.

Having been a long-standing commercial and political partner for Latin America – and having made the promotion of regionalism one of the key planks of its strategy – the EU has recently shown signs of both frustration and a change of strategy, emphasizing much more its actions in a particular country than the region. This change is welcome though it is not enough.

The EU needs to do much more to see which, if any, of the factors preventing the advancement of regionalism in Latin America it may actually be able to influence. In doing so, it needs to identify the particularities of each of its ‘engagement’ countries and design policies which may encourage actors to change course and embrace regionalism as a viable problem-solving strategy. In doing so, it needs to be recognized that any such proposals only *may* lead to improved outcomes but cannot guarantee them. The case study will seek to determine what factors are key to incentivizing regionalism as a conflict resolution strategy and may allow actors to change course, also recognizing that these factors may have very little to do directly with the conflict or the particular behavior

In broad terms, then, this paper has sought to provide what I would consider a more realistic perspective on the prospects of regionalism in Latin America within the contemporary context. Whilst the overall tone may have been somewhat downbeat, I would suggest that this is not actually the case. What is needed is not necessarily an abandonment of regionalism as a policy tool, but a redefinition of its purpose and the

³⁴ See European Commission (2010a, 2010b)

strategies to achieve it, whilst acknowledging the inevitable imperfections as chances for adaptation and learning. Regionalism in Latin America is not and will not be like its European counterpart, nor should there be an attempt to copy it. Bearing in mind the very different circumstances and dynamics of Latin America, de-centralizing, or localizing, the policy-effort with the aim of encouraging changes of patterns of behavior is the best the EU can hope for and I see the project as a tool and providing suggestions on how this can be done.

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