

**Regional Identity Beyond the Collective:  
The Institutional Identities of ASEAN and MERCOSUR**

Master Thesis International Studies

Maurice Ortega Jones (s1737570)

Under Supervision of Dr. D. Oude Nijhuis

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## List of Acronyms

AEC	ASEAN Economic Community
AFC	Asian Financial Crisis
AFTA	ASEAN Free Trade Area
ARF	ASEAN Regional Forum
ASA	Association of Southeast Asia
ASEAN	Association of Southeast Asian Nations
ASEAN+3	ASEAN plus China, Japan and South Korea
ASEM	Asia-Europe Meeting
EAS	East Asia Summit
EC	European Community
EU	European Union
GATT	General Agreement on Tariffs and Trade
IMF	International Monetary Fund
NATO	North Atlantic Treaty Organization
MERCOSUR	Common Market of the South
PARLASUR	MERCOSUR Parliament
SACU	Southern African Customs Union
SEATO	Southeast Asia Treaty Organization
TAC	Treaty of Amity and Cooperation
UNASUR	Union of South American Nations
ZOPFAN	Zone of Peace, Freedom and Neutrality

## 1 Introduction

Inspired by the success of the European Union and the European Single Act a new wave of regionalism spread around the globe in the wake of the Cold War. While regionalism has been present before this point in time this “new regionalism” is of greater diversity in terms of the ideas, goals, and actors involved, and in consequence its institutional approaches. This diverse regionalism has become a central feature of our global world to a point where scholars argue that we live in a ‘world of regions’ (Katzenstein 2005).

As traditional theories of regionalism faced great difficulties in explaining the pluralistic and multi-dimensional nature of this new ‘world of regions’, scholars became increasingly interested in alternative explanations for regional integration, one of which was sought in the role of identities in the constitution of regionalism. Recent research on the European Union specifically investigated how national and collective identities are shaped by and expressed through institutions.<sup>1</sup> While acknowledging the importance of institutions in shaping collective identities, scholarship failed to recognize that this requires institutions to project their own distinct identities.

Andrea Oelsner (2013) is one of few scholars to investigate the distinct identity of institutions. She argues that the sum of the central ideas, goals, and interests that members attribute to a certain institution eventually substantiate it with a distinct identity, which results in institutions becoming actors in their own rights. Institutional identity is thus of importance because, similar to individuals, institutions need a strong self-concept about who they are and what they want. Without such a strong self-concept institutions lack the ability to effectively act as a social actor.

In this spirit the present thesis advances on this approach by investigating the distinct identities of ASEAN and MERCOSUR, in order to identify how institutional identity influences the effectiveness of regional institutions as social actors. In order to achieve this goal, I first seek to clarify,

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<sup>1</sup> For an excellent overview of the state of the art of identities in the European Union see Risse (2010).

<sup>2</sup> see Risse (2010).

what institutional identity is, how it manifests and its underlying workings. Oelsner's (2013) approach based upon organizational studies provides the base for this theoretical framework, but deserves some careful adjustments, because she is not entirely clear how institutional identity influences effectiveness. In order to measure an institution's effectiveness, I draw upon the concept of "actorness" as established by Hettne (2005), which relates to how well an institution fares in influencing its surroundings, most importantly its members. Institutional identity lies at the very heart of "actorness" as it raises certain expectations through expressing what kind of actor an institution wants to be and how it plans on achieving this. Institutional identity thus sets the bar for measuring an institution's effectiveness.

Institutional identity sets this bar in normative statements about the envisioned nature of the respective institution and its consequent path to integration as expressed in treaties, agreements and declarations, and discursive references to these as found in speeches, public gestures and official statements. However, as identity is not directly visible the examination of these normative statements and discursive references merely raises claims about the nature of institutional identity. Therefore several cases involving the regional institutions, their members and external actors, as extensively studied in the secondary literature, are drawn upon in order to verify if the claimed institutional identity in fact is supported by actions. These cases further make for the measurement of an institutions effectiveness by not only showing if an institution acted according to its identity, but also how well it fared in doing so. The purpose of this research thus is two-fold. On one hand I seek to uncover the distinct nature of the institutional identities of ASEAN and MERCOSUR. On the other hand the presented approach goes further by using the concept of institutional identity to determine the institutions' effectiveness through the concept of "actorness".

The Association of Southeast Asian Nations (ASEAN) and the Common Market of the South (MERCOSUR) have been chosen as case studies because they both are among the most successful regional integration efforts in the developing world. An investigation of ASEAN and MERCOSUR poses a fascinating endeavor as their respective models of integration greatly differ, whilst they share the underlying goal of collectively becoming stronger in the wake of globalization.

The Common Market of the South was established through the Treaty of Asunción in 1991 as a formalized approach to regional integration with economic integration as its basis. In contrast due to its historic heritage ASEAN remains a rather informal project with focus on regional stability and increasingly economic integration. While MERCOSUR was praised for its high degree of formalization the integration progress is stalling since the mid 2000s. On the other hand informal ASEAN recently advanced to establishing a single market through the ASEAN Economic Community, on December 31, 2015.

In contrast to the plentiful studies of the structural advantages and shortcomings of these regional institutions, the present research claims that institutional identity is an important factor to consider when investigating the life of ASEAN and MERCOSUR. By applying the concept of “actorness” as a way of measuring the effectiveness the comparison of both is rather indirect. I seek to show that institutional identity can be responsible for the success and failure of institutions rather than directly comparing why one fared better than the other. While this would be the next step in the investigation of institutional identity, this endeavor exceeds the limitations of this thesis.

In this spirit this thesis proceeds as follows: First, a brief review of the existing literature on regional integration and identity is provided. Second, Oelsner’s (2013) theoretical framework based upon organizational studies is outlined, enhanced, and adjusted. Third, methodological questions will be answered and the research design will be outlined. Fourth, through the investigation of normative statements and discursive references, the theoretical framework will be applied to the cases of ASEAN and MERCOSUR, in order to identify their respective institutional identities. Several cases that unveil the distinctness of institutional identity are then drawn upon in order to not only support the claim of institutional identity but to identify how this influences an institution’s effectiveness. Concluding, the differences in institutional identities and their influence on the effectiveness of the two institutions are compared.

## 2 Literature Review

In this brief review I will give by no means conclusive insights on recent academic research on the role of identity in regionalism. In the realm of European Union studies scholars put much effort into investigating the formation of a collective regional identity, its coexistence with national identities as well as its influence on creating a collective identity of “Europeanness” among its citizens.<sup>2</sup> While these studies provide valuable insights into the workings of collective identity, they mostly treat institutions as an independent variable in shaping collective identities and an institution’s interests (see Fierke and Wiener 1999; Murray 2015). While institutions, collective identity and interests are closely connected these studies do not clearly differ between the collective of its members and the institution and thus fail to acknowledge the distinctness of institutional identity and consequently how it manifests. Their findings are thus questionable in assessing the workings of institutions and which role institutional identity plays in shaping interests and subsequent actions. Generally speaking there appear to be many presumptions of what kind of identity the EU as an institution incorporates. By clearly identifying the constitution of institutional identity and thus treating it as a dependent variable the first purpose of this thesis is to provide a framework for a better understanding of the making of institutions.

Beyond the EU identity as a factor in regionalism garnered increasing interest especially in Southeast Asia. As structural explanations failed to convincingly explain the continuing existence and development of ASEAN and its “soft” institutionalization, scholars have turned towards “soft” factors like ideas, norms, values, and identities in their studies. Similar to EU studies these investigations focused on the formation and maintenance of a collective regional identity (see Acharya and Layug 2012; Busse 1999; Nabers 2003; Narine 2002; Khong 2004). Amitav Acharya (2012) provides an excellent socio-historical investigation of regional identity formation in Southeast Asia. His study though is exemplary of the issue at stake. He frequently refers to ASEAN as if it was an independent actor. It is however never entirely clear if and when he talks about

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<sup>2</sup> see Risse (2010).

the collective of members and if and when he talks about the institution as an actor in its own right. By emphasizing the distinctness of institutional identity the second purpose of this study thus is to draw a clear distinction between collective identity and institutional identity.

Studies of MERCOSUR's identity are few and merely focused on the collective identity of its members (see Caballero Santos 2015). However Oelsner (2013) provides an approach to identity in MERCOSUR that diverges from the classical idea of regional identity as collective identity. She draws upon organizational studies in order to discuss MERCOSUR's identity as an institution, which is influenced by but separated from collective regional identity. Building upon her theoretical framework she then argues that MERCOSUR is in fact in the midst of an identity crisis, which is the reason for its stalemate. However as the present study seeks to clarify, identity crisis is missing the point, as MERCOSUR's identity is rather clear as Oelsner outlined in her study. This is due to the fact that while she argues for the importance of institutional identity in determining an institution's "quality of life" as a social actor, she fails to truly explain how this "actorness" is constituted. The third purpose of the present research thus becomes enhancing her theoretical framework in order to underline the notion of institutions being independent social actors.

Structural analyses treating institutions as dependent variables have been plentiful. Most prominently Barbara Koremenos, Charles Lipson, and Duncan Snidal (2001) with their "Rational Design Theory" asked the fundamental question, what makes an international institution? In this sense they share great similarities with Oelsner. However without clearly addressing how the making of international institutions determines their continuing development this question lacks purpose. In the following chapters I thus not only seek to identify how the identity of an institution is constituted but also advance towards outlining how this affects an institution's effectiveness.



### 3 Theoretical Framework

Based upon Organizational Studies Oelsner (2013) developed a resourceful approach to the investigation of institutional identity as a dependent variable. To begin with I will provide a brief summary of her theoretical framework. Oelsner (2013) argues for the importance of institutional identity because, similar to individuals, institutions need a strong self-concept about who they are and what they want. Without such a strong self-concept institutions lack the ability to effectively act as a social actor. This self-concept further makes for a sense of uniqueness and individuality, while at the same time creating a sense of belonging to a certain kind (Oelsner 2013: 117). A strong self-concept further establishes a sense of inter-temporal permanence. Lastly, it underlines the external recognition of the unity of the collective as a social actor (Oelsner 2013: 117). Identity and identification thus “simultaneously convey distinctiveness and oneness (for example, of an organization, group, or individual), while allowing for blurring, multiplicity, and dynamism in identity content and process” (Albert, Ashforth, and Dutton 2000: 13). Oelsner (2013) underlines the importance of institutional identity with Whetten’s (2006: 223) assumption that a “chronically mistaken identity [...] is a fatal flaw for organizations.”

While her approach clearly addresses the constitution of institutional identity and states why this is of importance it fails to clearly address how this importance unfolds. I consequently seek to answer this open question in order to establish a more coherent picture of not only what institutional identity is, but also which implications it carries for the study of institutions. Whetten’s (2006) argument that the lack of a consistent identity is fatal for an institution suggests that fatality is the most fundamental threat to an institution. This in turn means that an institutions greatest interest is institutional survival. Even though very few institutions have actually been demolished, irrelevance is a close second in terms of institutional survival (Oelsner 2013). Hurrell (1995: 44-45) states that relevance of an institution is measured by its capability to influence its externalities in pursuit of its own interests. In turn irrelevance occurs if an institution continuously fails to exert influence and thus to reach its goals. Hettne (2005: 556) refers to this concept as “actorness”, which seeing that institutions

eventually become social actors in their own right proofs more valuable. Even though “actorness” can derive from strong organizational mechanisms that an institution provides, in their absence, as it is the case in ASEAN and MERCOSUR, institutional identity can present the major source of “actorness” (see Albert, Ashforth, and Dutton 2000). “Actorness” itself is a two-fold concept. On one hand it reflects the measurement of an institution’s relevance. On the other hand “actorness” is an independent factor through which an institution is influencing its external environment. “Actorness” then becomes a self-reinforcing concept, the better an institution fares in reaching its goals, the greater its “actorness” and in turn the greater its capability to influence the external environment, especially its members, to work on its behalf. This assumption has indirectly been acknowledged by viewing institutions as socializing its members into a certain mind set and mode of behavior (Checkel 2005).

The importance of institutional identity for the relevance of an institution then crystallizes. Identity formation by expressing a certain envisioned nature of an institution precedes the establishment of corresponding goals and interests and thus is central to creating a certain path to integration by which to measure an institution’s “actorness”. Regarding the need for “internal cohesion” institutional identity then not only reflects the central attributes that make members want to be part of that specific institution, as Oelsner (2013) states, but also provides a frame of reference for the measurement of its relevance. Thus member’s compliance is not only in doubt when they cannot identify with the institution, but also when the institution does not meet set expectations. This is as true for internal projection as it is for external projection, which makes for an institutions reputation (see Whetten 2006).

For the present study this raises the expectation that the compliance of ASEAN member states in advancing towards the ASEAN Community not only rests on members identifying with ASEAN’s identity but further by their confidence in ASEAN as well as ASEAN’s capability to influence its members. In contrast for MERCOSUR this raises the expectation that its stalemate results out of members not identifying with the institution, lacking confidence in its workings and a low degree of “actorness” on behalf of MERCOSUR itself.

Through the concept of “actorness” institutional identity becomes a promising tool for the investigation of the effectiveness of ASEAN and MERCOSUR. In the empirical chapter I thus seek to outline the nature of ASEAN’s and MERCOSUR’s institutional identity in order to measure their effectiveness through the outlined concept of “actorness”. The question this thesis thus seeks to answer is: How does institutional identity influence the effectiveness of the regional institutions ASEAN and MERCOSUR as social actors? Before moving on to the case studies a few methodological questions for the investigation of institutional identity require attention.

#### **4 Methodology and Research Design**

In terms of the methodological approach towards identity there are several issues concerning definition, identification and measurement, causation and correlation as well as comparison that deserve clarification. First of all, the question, what exactly are we looking for when we search for institutional identity, needs to be addressed. As institutional identity refers to the identity of an institution as an independent social actor, Oelsner (2013) draws upon Albert and Whetten’s (2006) definition of organizational identity as the “central and enduring attributes of an organization that distinguish it from other organizations.” Central and enduring attributes are the attributes that outline the envisioned nature of an institution expressed through the long-term goals an institution wants to achieve.

However considering the concept of “actorness” there has to be more to institutional identity. Wendt (1994: 385) established the concept of ‘corporate identity’, which “refers to the intrinsic, self-organizing qualities that constitute actor individuality.” The self-organizing nature of these attributes becomes incremental as this acknowledges that institutional identity is productive through establishing certain interests that lead to the achievement of said goals. It is thus not only the goals but also the mode of action expressed through certain interests that make for a certain identity. Self-organizing further supports the “actorness” of an institution by acknowledging that through the establishment of said interests and their expression an institution actively

influences its externalities. When investigating institutional identity I thus search for the central, enduring, and self-organizing attributes that underline an institution's individuality as a social actor as expressed through its goals and corresponding interests.

While institutional identity is not directly visible I rely on the expression of these goals and interests as found in the "unique patterns of binding commitments, organizational choices, and identity revealing discourse" (Oelsner 2013: 119). I thus seek to find evidence for institutional identity in normative statements such as declarations, treaties, agreements, and official statements which not only express what the institution is envisioned to be, but also how it plans to achieve this. Further frequent discursive references such as found in speeches, public statements and gestures, made by involved leadership and third actors, are expected to support these normative statements. For both institutions especially the foundational agreements are of utmost importance as these set a certain path to integration. However as regional integration itself is a process it must be viewed in its entirety, especially considering that this study not only seeks to clarify what institutional identity is, but how it influences an institution's effectiveness.

Normative statements and corresponding discourse are the result of interaction between first and foremost an institution's members or – considering the initial foundation of an institution – its prospective members. As Adler and Barnett (1998) emphasize in many cases individual nations lead in shaping a collective identity and institutional choices. Similar to the European Union with France and Germany at the center of integration, it was the cooperation of Argentina and Brazil in MERCOSUR since the 1980s that continuously shaped integration (Oelsner 2013). While clear regional leadership is absent in ASEAN (Loder, Mantsion, Stubbs 2011), initial integration was heavily influenced by Thailand and its mediation between Indonesia, Malaysia, and the Philippines in the 1960s. Considering the inter-governmental nature of both integration projects this is also reflected in the continuing interactions between individual leadership.

While the interaction between members continues to persist, once an institution has been established two subsequent spheres of interaction emerge.

These are the interaction between the institution and its members, as well as the interaction between an institution and external actors, such as third countries or non-state actors. These interactions are expected to reveal if an institution acts according to the expectations raised by its institutional identity, which further underlines the existence and distinctness of an institution. Beyond revealing evidence of institutional identity interactions provide the tool for measuring the “actorness” of an institution by exposing how well an institution fared in influencing its members as well as external actors. Especially dispute cases between the institution and its members and the institution and third actors are expected to provide valuable insights, as in these cases interests greatly differ, which suggests the distinctness of the actors’ identities. For ASEAN critical issues such as transboundary haze pollution, the South China Sea, and FTA negotiations are of interest. For MERCOSUR cases such as the implementation of the democracy clause, FTA negotiations, the Uruguayan pulp mill conflict and the 2012 coup in Paraguay are expected to support the claim to MERCOSUR’s institutional identity and reveal its effectiveness.

On a side note, while ASEAN and MERCOSUR share a similar vision of collectively becoming stronger in the wake of globalization, their respective paths to integration as expressed through their underlying goals and interests greatly differ. Merely comparing their institutional identity would result in side-by-side case studies arguing for the distinctness of their institutional approaches. Through the concept of “actorness” institutional identity becomes a truly comparable tool as this provides the measurement of their effectiveness. As the present investigative approach focuses on the effectiveness of institutions the comparative study is rather indirect, because while providing a unified approach it rather compares the results of these processes. The present study thus seeks to answer how institutional identity influences an institution’s effectiveness in these two cases, rather than why one fares better than the other, which would exceed the limitations of this thesis.

To summarize, in order to acquire a better understanding of not only what institutional identity is, but how it influences the effectiveness of the regional institutions ASEAN and MERCOSUR, the following empirical chapter by allocating meaning to normative statements and discursive references about an

institutions nature and path to integration seeks first to establish the distinct institutional identities of ASEAN and MERCOSUR. As meaning derived from these normative statements and discursive references rather remains a descriptive claim, reflections of these assertions are sought in the course of real world cases to not only proof that distinct institutional identities exist, but also how they influence the effectiveness institutions.

## **5 The Institutional Identity of ASEAN**

When considering identity in connection with ASEAN it is the “ASEAN Way”, which most prominently comes to mind. The “ASEAN Way” is as much a political statement as it is a set of procedural rules, based upon the notions of non-interference, consultative dialogue and consensus decision-making (Acharya and Johnston 2007). As the following paragraphs will reveal non-interference presents the central interest for achieving ASEAN’s underlying goal of maintaining regional stability. While economic prosperity as a factor in providing regional stability was present since the outset of ASEAN, it became an independent goal after the end of the Cold War. With the establishment of AFTA in 1992 this goal was accompanied with a clear mode of action and corresponding interests. Even though the economic and political spheres are closely connected and interdependent they nevertheless deserve separate attention, as they can be clearly distinguished from one another.

### **5.1 Political Sphere**

While ASEAN’s political identity is best expressed by the “ASEAN way”, the most central and enduring attribute that has been formally institutionalized is the principle of non-interference, whose origin can be traced back to ASEAN’s initial foundation. In the Bangkok Declaration of 1967 the Foreign Ministers of the founding members, Thailand, Indonesia, Malaysia, the Philippines and Singapore declared that the aims and purposes of ASEAN are “to strengthen the foundation for a prosperous and peaceful community of South-East Asian Nations” in order

“to promote regional peace and stability.”<sup>3</sup> While not formally established the principle of non-interference as a tool to achieving regional stability is found in the preamble of the Bangkok Declaration, which states that the Southeast Asian nations “are determined to ensure their stability and security from external interference in any form.”<sup>4</sup> Concerning institutional identity the Bangkok Declaration answers two questions. First, by stating that ASEAN should be an institution that provides for regional stability it clarifies the nature of the envisioned institution. Second, the principle of non-interference presents the main interest for achieving the goal of regional stability.

For putting ASEAN’s initial institutional identity into perspective two preceding commitments deserve attention. On one hand there was SEATO, an anti-communist security alliance, which additionally to external powers like the US and the UK incorporated Thailand and the Philippines. On the other hand, the Association of Southeast Asia, which encompassed Malaysia, the Philippines and Thailand, was considered to be Western-aligned, economy-focused and anti-communist (Pollard 1970). These institutions by not only sharing the central actors of ASEAN, but also by sharing the goals of regional security and economic prosperity are closely related to ASEAN itself and integrate its initial foundation closely into the Cold War context.

While non-interference as the preferred mode of regional interaction found its place in the preamble of the Bangkok Declaration it was two subsequent agreements, which underlined its importance as the central, enduring and self-organizing attribute of ASEAN in order to achieve regional stability. First was the 1971 Declaration on the Zone of Peace, Freedom and Neutrality, which declared that Southeast Asia should be “free from any form or manner of interference by outside Powers.”<sup>5</sup> Second was the Treaty of Amity and Cooperation in 1976, which mentioned non-interference in two subsequent articles, as

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<sup>3</sup> ASEAN, *1967 ASEAN Declaration*, Bangkok, August 8, 1967, accessed June 23, 2016, <https://cil.nus.edu.sg/rp/pdf/1967%20ASEAN%20Declaration-pdf.pdf>.

<sup>4</sup> ASEAN, *1967 ASEAN Declaration*.

<sup>5</sup> ASEAN, *1971 Zone of Peace, Freedom and Neutrality Declaration*, Kuala Lumpur, November 27, 1971, accessed June 23, 2016, <http://www.icnl.org/research/library/files/Transnational/zone.pdf>.

- b. The right of every state to lead its national existence free from external interference, subversion or coercion;
- c. Non-interference in the internal affairs of one another.<sup>6</sup>

The Treaty of Amity and Cooperation in line with frequent references to non-interference in ASEAN's foundational agreement and subsequent declarations support the claim that since ASEAN's original foundation non-interference has been at the core of its institutional identity by presenting the present mode of conduct between ASEAN, its members and external actors in order to reach its goal of regional stability. However to truly acknowledge it as a central, enduring and self-organizing attribute and for the evaluation of ASEAN's "actorship", words have to overlap with actions. I following refer to various cases, which ought to show that ASEAN projected and acted according to its institutional identity, its guiding principle of non-interference and how well it fared in doing so.

To begin with the turmoil around the admittance of Cambodia to the Association presents a case supporting the importance of non-interference. In July 1997 due to domestic instabilities ASEAN postponed Cambodia's admittance, while at the same time a troika made up of the Philippines, Thailand and Indonesia tried to broker a deal with Cambodian leader Hun Sen. ASEAN as an institution was accused of interfering in the domestic politics of Cambodia and subsequently needed to reconcile its member's involvement with its fundamental principle of non-interference (Ramcharan 2000). While the need for reconciliation reflects that the principle of non-interference is central to the nature of ASEAN, the initial case showed that ASEAN as an actor failed to effectively influence its members in respect of this principle.

Another issue area that underlines the centrality of non-interference for ASEAN's identity is the continuing problem of transboundary haze pollution. In the 1990s the recurring heavy air pollution in the Southeast Asian region sparked by forest fires in the insular part of Southeast Asia called for collective

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<sup>6</sup> ASEAN, *1976 Treaty of Amity and Cooperation in Southeast Asia*, Bali, February 24, 1976, accessed June 23, 2016, <http://www.icnl.org/research/library/files/Transnational/1976Treaty%20.pdf>



action (Nguitrageol 2011). While the ASEAN Agreement on Transboundary Haze Pollution, was signed in 2002 and ratified by 9 of the 10 ASEAN members, it was not until 2014 that the main polluter Indonesia approved the agreement.<sup>7</sup> The fact that it took twelve years for Indonesia to sign the agreement suggests a lack of pressure from the institution as a whole. While it can be argued that ASEAN was not effective in addressing the particular issue of pollution, it nevertheless acted according to the principle of non-interference.

The importance of non-interference is further reflected in ASEAN's external engagement. Credibility to non-interference as the guiding principle of ASEAN was underlined by the accession of countries such as China, the United States, as well as the European Union to TAC.<sup>8</sup> While non-interference poses the guiding principle for internal actions, in the external sphere non-interference truly shows self-organizing qualities as it builds the basis for cooperation in the wider region through forums such as ASEAN+3, the East Asia Summit, and the ASEAN Regional Forum.<sup>9</sup> The external sphere thus not only supports the claim of ASEAN's institutional identity through the recognition by third actors, but also reflects a certain degree of "actorness".

In this regard the issue of the South China Sea is exemplary of how ASEAN strives for stability in the wider region through non-interference. Directly involved members of ASEAN such as Vietnam wish for greater ASEAN

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<sup>7</sup> *ASEAN Agreement on Transboundary Haze Pollution*, Kuala Lumpur, June 10, 2002, accessed July 24, 2016, [http://haze.asean.org/?wpfb\\_dl=32](http://haze.asean.org/?wpfb_dl=32).

<sup>8</sup> EEAS, *EU-Asia Security Factsheet*, accessed July 24, 2016, [https://eeas.europa.eu/asia/docs/eu\\_in\\_asia\\_factsheet\\_en.pdf](https://eeas.europa.eu/asia/docs/eu_in_asia_factsheet_en.pdf).

U.S. Department of State, *United States Accedes to the Treaty of Amity and Cooperation in Southeast Asia*, Washington D.C., July 22, 2009, accessed July 24, 2016, <http://www.state.gov/r/pa/prs/ps/2009/july/126294.htm>

ASEAN, *Accession to the Treaty of Amity and Cooperation in Southeast Asia by China*, October 8, 2003, accessed July 24, 2016, <http://asean.org/accession-to-the-treaty-of-amity-and-cooperation-in-southeast-asia-by-china/>.

<sup>9</sup> *Joint Statement on East Asia Cooperation*, Manila, November 28, 1999, accessed July 24, 2016, <http://www.mofa.go.jp/region/asia-paci/asean/pmv9911/joint.html>.

*Kuala Lumpur Declaration on the East Asia Summit*, Kuala Lumpur, December 14, 2005, accessed July 24, 2016, <https://cil.nus.edu.sg/rp/pdf/2005%20Kuala%20Lumpur%20Declaration%20on%20the%20East%20Asia%20Summit-pdf.pdf>.

*The ASEAN Regional Forum: A Concept Paper*, Bandar Seri Begawan, August 1, 1995, accessed July 24, 2016, <http://aseanregionalforum.asean.org/files/library/Terms%20of%20References%20and%20Concept%20Papers/Concept%20Paper%20of%20ARF.pdf>.

involvement against Chinese expansion in the South China Sea, while uninvolved members emphasize the respect for non-interference and ask for bilateral negotiations between the involved parties (Rustandi 2016). In cooperation with China and based upon the principle of non-interference ASEAN as an institution merely established an informal code of conduct for issues regarding the South China Sea in 2002.<sup>10</sup> ASEAN in contrast to parts of its membership thus acted according to its innate principle of non-interference in order to avert conflict in the wider region. Considering that the institution relies on the compliance of its members to pass this code of conduct shows, how despite diverging interests ASEAN was able to keep its members in line on the behalf of its institutional identity.

The first interregional initiative between ASEAN and Europe dates back to 1980 when the “ASEAN-EC Cooperation Agreement” established initial relations, which focused on economic and development cooperation.<sup>11</sup> In recent times the Asia-Europe Meeting (ASEM) further provided a realm for interregional engagement, which underlines the credibility of ASEAN as a political actor. Non-interference has been a great issue in ASEAN-EU relations concerning the case of Myanmar (see Arendshorst 2009, Camroux 2010). The European Union continuously pressured ASEAN into intervening in the human rights abuses in Myanmar. Based on the principle of non-interference ASEAN however promoted dialogue and constructive engagement, rather than actively intervening in Myanmar’s domestic affairs (Arendshorst 2009). Despite pressure ASEAN stuck to its guiding principle of non-interference and by promoting dialogue and constructive engagement delivered a self-organizing approach on how to deal with the case of Myanmar.

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<sup>10</sup> *Declaration on the Conduct of Parties in the South China Sea*, Phnom Penh, November 4, 2002, accessed June 23, 2016, <https://cil.nus.edu.sg/rp/pdf/2002%20Declaration%20on%20the%20Conduct%20of%20Parties%20in%20the%20South%20China%20Sea-pdf.pdf>.

<sup>11</sup> *Cooperation Agreement between Member Countries of ASEAN and European Community*, Kuala Lumpur, March 7, 1980, accessed June 23, 2016, <http://investmentpolicyhub.unctad.org/Download/TreatyFile/3106>.

## 5.2 Economic Sphere

The goal of regional prosperity as a factor for regional stability and subsequently economic development was established within the Bangkok Declaration as one of the central, and enduring attributes of ASEAN's institutional identity. While the members of ASEAN saw great economic development through models of state-led capitalism in the 1970s and 80s economic cooperation in ASEAN was rather weak (Chia and Plummer 2015). Only few agreements on minor matters like the "ASEAN Industrial Projects" (1980) or the "ASEAN Currency Swap Arrangement" (1977) have been concluded during this early phase.<sup>12</sup> It was not until after the end of the Cold War, that ASEAN developed a clear mode of action for achieving regional prosperity and thus developed a clear sense of what kind of institution it wants to be and how it wants to achieve this in the economic sphere.

At the fourth ASEAN Summit in Singapore in 1992 ASEAN formally established the ASEAN Free Trade Area, which sought to lower tariffs in a wide range of market sectors. The Singapore Declaration also emphasized the need for further liberalization of financial markets and ASEAN's commitment to multilateral initiatives such as GATT.<sup>13</sup> The priorities of ASEAN lay with accumulating FDI and raising its competitiveness in the global economy in order to achieve economic development (Khong and Nesadurai 2007). The Singapore Declaration and the establishment of AFTA thus not only resembled the need for economic development but further showed self-organizing and thus productive qualities by outlining a certain path to economic prosperity based upon liberal and market-driven economic integration in order for ASEAN to become strongly integrated into the global economy.

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<sup>12</sup> ASEAN, *Basic Agreement on ASEAN Industrial Projects*, Kuala Lumpur March 6, 1980, accessed June 23, 2016, <http://agreement.asean.org/media/download/20140119162416.pdf>.

ASEAN, *1977 Memorandum of Understanding on the ASEAN Swap Arrangements*, Kuala Lumpur, August 5, 1977, accessed June 23, 2016, <https://cil.nus.edu.sg/rp/pdf/1977%20Memorandum%20of%20Understanding%20on%20the%20ASEAN%20Swap%20Arrangements-pdf.pdf>.

<sup>13</sup> ASEAN, *1992 Singapore Declaration*, Singapore, January 28, 1992, accessed June 23, 2016, <https://cil.nus.edu.sg/rp/pdf/1992%20Singapore%20Declaration-pdf.pdf>.

The Asian Financial Crisis, which saw especially the original founding states Thailand, Indonesia, Malaysia, and the Philippines, rocked, brought critique to the set path of economic integration in Southeast Asia, especially the hasty liberalization of financial markets. Mahathir Mohamad then Prime Minister of Malaysia was one of the strongest opponents of liberalizing economic integration. He stated that

“Globalization, liberalization and deregulation are ideas which originate in the rich countries ostensibly to enrich the world. But so far the advantages seem to accrue only to the rich” (quoted in Archaya 2012: 243).<sup>14</sup>

His critique identifies liberalization and deregulation as implemented in ASEAN as highly problematic, which supports the general assumption that these factors are central to ASEAN’s economic integration model. His comment also resembles how at this point in time the economic identity of the collective of members was far from unified, as other countries such as Thailand and Indonesia closely adhered to the IMF during the crisis. Nevertheless ASEAN’s envisioned path to economic integration as established in the Singapore Declaration was reaffirmed in the ASEAN Vision 2020, which renewed the institutions commitment to the liberalization of trade, flow in services, investments and capital.<sup>15</sup> Noteworthy is that the Vision 2020 was proclaimed in December 1997 the midst of the AFC. Despite strong criticism the AFC thus encouraged stronger market-oriented integration (Hill and Menon 2014). ASEAN was thus not only able to project its identity in the economic sphere but also showed “actorness” in influencing its members into collectively reaffirming its set path to economic integration with the ASEAN Vision 2020.

AFTA and the ASEAN Vision 2020 laid the groundwork for the recent establishment of the ASEAN Economic Community (AEC) on December 31, 2015.

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<sup>14</sup> “Text of speech at the fifth symposium of the Institute for International Monetary Affairs, Tokyo, Japan, reproduced in the *New Straits Times*, 4 June 1998, p.12” (Acharya 2012: 280).

<sup>15</sup> ASEAN, *ASEAN Vision 2020*, Kuala Lumpur, December 15, 1997, accessed June 23, 2016, [http://asean.org/?static\\_post=asean-vision-2020](http://asean.org/?static_post=asean-vision-2020).

The ASEAN Economic Community as envisioned by the AEC Blueprint established a single market and production base in Southeast Asia.<sup>16</sup> In line with prior efforts the AEC seeks economic integration in an open and outward-looking manner and a strong integration of the region into the global economy. The AEC Blueprint 2025 solidified ASEAN's commitment to economic integration along these lines.<sup>17</sup> ASEAN's continued emphasis on economic integration in this fashion restates what kind of institution it envisions to become, an institution that provides economic prosperity, and how this goal should be achieved, that is through liberalization and stronger economic integration. As ASEAN lacks enforceability due to the absence of strong organizational mechanisms the willing compliance of members in liberalizing their economies shows how ASEAN projects "actorness" in influencing its members in not only setting targets but also acting upon them.

ASEAN's external relations support its identity in the economic sphere. Through the establishment of AFTA ASEAN gained a degree of "actorness" in the economic sphere not only by establishing a formal Free Trade Area, but also by reflecting that ASEAN is a credible economic actor. This is reflected in ASEAN's capability to conclude several FTAs with third parties such as China, and India.<sup>18</sup> These cooperation efforts repeatedly underlined ASEAN's recognition and credibility as an economic institution and substantiate its open and outward-looking economic identity.

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<sup>16</sup> ASEAN Secretariat, *ASEAN Economic Community Blueprint*, Jakarta, January 2008, accessed June 23, 2016, <http://asean.org/wp-content/uploads/archive/5187-10.pdf>.

<sup>17</sup> ASEAN Secretariat, *ASEAN Economic Community Blueprint 2025*, Jakarta, November 2015, accessed June 23, 2016, <http://www.asean.org/storage/images/2015/November/aec-page/AEC-Blueprint-2025-FINAL.pdf>.

<sup>18</sup> *Framework Agreement on Comprehensive Economic Co-Operation Between ASEAN and the People's Republic of China*, Phnom Penh, November 4, 2002, accessed July 24, 2016, [http://asean.org/?static\\_post=framework-agreement-on-comprehensive-economic-co-operation-between-asean-and-the-people-s-republic-of-china-phnom-penh-4-november-2002-4&category\\_id=32](http://asean.org/?static_post=framework-agreement-on-comprehensive-economic-co-operation-between-asean-and-the-people-s-republic-of-china-phnom-penh-4-november-2002-4&category_id=32).

*Framework Agreement on Comprehensive Economic Cooperation Between the Republic of India and the Association of Southeast Asian Nations*, Bali, October 8, 2003, accessed July 24, 2016, <http://asean.org/framework-agreement-on-comprehensive-economic-cooperation-between-the-republic-of-india-and-the-association-of-southeast-asian-nations-bali/>.

Another example underlining this identity is found in the wake of the Asian Financial Crisis (AFC), when former Singaporean Prime Minister Lee Kuan Yew stated, “We [ASEAN] can’t help each other.”<sup>19</sup> He referred to ASEAN lacking the capability to overcome the AFC by itself. This realization sparked a turn to the ASEAN+3 and ultimately resulted in the Chiang Mai Initiative (CMI), a region-wide currency swap agreement to protect against future financial meltdowns. The CMI helped solidify ASEAN’s outward-looking and market-oriented economic identity, while providing an innovative approach to crisis prevention original to the wider region. The Chiang Mai Initiative not only supports ASEAN’s envisioned nature, but also showed its self-organizing qualities and thus reveals ASEAN’s “actorness”.

## **6 The institutional identity of MERCOSUR**

Similar to ASEAN MERCOSUR’s institutional identity is manifested in the political and economic spheres. In the political sphere democracy is the institution’s most central, enduring and self-organizing attribute for establishing a peaceful and stable region. In the economic sphere it is the envisioned Common Market that defines the nature of the institution on its pursuit of economic prosperity. While Oelsner (2013) argues that MERCOSUR is in the midst of an identity crisis, the following paragraphs reveal that MERCOSUR’s identity is rather clear. However, the institution continuously failed to generate and project “actorness” based upon its institutional identity.

### **6.1 Political Sphere**

While MERCOSUR was from its outset envisioned to be a political project (Dominguez 2007), it was not its founding agreement the Treaty of Ascunción that clearly manifested its political identity. Democracy as the central and enduring attribute of political identity was rather envisioned in prior and subsequent agreements. MERCOSUR evolved first and foremost out of the

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<sup>19</sup> “The limits of politeness”, *The Economist*, February 26, 1998, accessed June 23, 2016, <http://www.economist.com/node/114305>.

bilateral reconciliation between Argentina and Brazil at the end of the 1980s (Dominguez 2007). The bilateral Iguazu Declaration in 1985 and the Treaty of Integration, Cooperation, and Development in 1988 underlined the importance of democracy in the formation of regionalism (Oelsner 2013).<sup>20</sup> In the Iguazu Declaration the presidents Raul Alfonsín (Argentina) and José Sarney (Brazil),

emphatically reaffirmed that the democratization process that the continent experiences ought to lead to greater rapprochement and integration between the peoples of the region. [...] [D]emocracy must necessarily mean peace, freedom and social justice; [and the presidents] committed themselves to spare no effort for societies that privilege the principles of human dignity, cooperation, solidarity, peace and welfare to live together in this continent. They concluded by pointing out that Brazilian–Argentine bilateral relations will be an example of this ideal.<sup>21</sup>

The Iguazu Declaration refers to the original purpose of the bilateral relations and subsequently the envisioned nature of MERCOSUR as aiming to create a peaceful, free and social just region with democracy being the mode of action to achieve this goal. While democracy as a guiding principle was not clearly addressed in the Treaty of Ascunción, the interdependence of economic integration and democracy was emphasized in the Presidential Declaration of Las Leñas in 1992, which states that “fully functioning democratic institutions are an indispensable condition for the existence and development of MERCOSUR” (Genna and Hiroi 2014). Beyond economic integration MERCOSUR thus was created to stabilize the young democracies in the Southern Cone through regional interdependence (Dabène 2004).

Democracy as a central and enduring attribute was institutionalized through the Presidential Declaration of 1996 and the subsequent Ushuaia

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<sup>20</sup> *Declaración de Iguazu*, November 30, 1985, accessed June 27, 2016, <http://www.abacc.org.br/wp-content/uploads/2015/09/Declara%C3%A7%C3%A3o-do-Igua%C3%A7u-espanhol-assinada.pdf>.

*Tratado de Integración, Cooperación y Desarrollo entre Brasil y Argentina*, Buenos Aires, November 29, 1988, accessed June 27, 2016, <http://www.abacc.org.br/?p=3417&lang=es>.

<sup>21</sup> Translated by Oelsner (2013: 120).

Protocol of 1998, which formally substantiated the importance of democracy and the rule of law in MERCOSUR through the implementation of a democracy clause.<sup>22</sup> This institutionalization was a direct response to a 1996 coup attempt in Paraguay (Piccone 2005). Through becoming the determining factor of inclusion and exclusion (Oelsner 2013), the importance of democracy as a self-organizing attribute is emphasized. The democratic values underlining MERCOSUR further showed self-organizing qualities by being a direct response to an institutional threat posed by the attempted coup in Paraguay.

While Oelsner (2013) argues that with no apparent threat to democracy in the 2000s the principle was taken for granted and thus lost its importance, the most recent case of the exclusion of Paraguay in 2012 reemphasized the importance of democracy as a central, enduring, and self-organizing attribute especially in the maintenance of MERCOSUR's membership. Following the impeachment of left-wing president Fernando Lugo MERCOSUR temporarily excluded Paraguay based upon an alleged breach of its democracy clause, even though the impeachment process was domestically considered constitutional (Malamud 2014). With Paraguay out of the picture MERCOSUR admitted Hugo Chavez's Venezuela as a full member, which previously was blocked by Paraguay's veto.<sup>23</sup> The importance of democracy as the defining political principle of MERCOSUR is reflected by not only presenting the reason for Paraguay's suspension, but also by being sidelined in the admittance of Venezuela, even though both nations face considerable shortcomings in their democratic models. Democracy thus presents not only the central and enduring but also self-organizing principle upon which MERCOSUR based its "actorness" in the process of inclusion and exclusion, which underlines its centrality to institutional identity.

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<sup>22</sup> *Declaración Presidencial sobre Compromiso Democrático en el Mercosur*, June 25, 1996, accessed June 27, 2016, [http://www.mercosur.int/%2Finnovaportal%2Ffile%2F4506%2F1%2Fcmc\\_1996\\_acta01\\_declara-presiden\\_es\\_compdemocratico.doc](http://www.mercosur.int/%2Finnovaportal%2Ffile%2F4506%2F1%2Fcmc_1996_acta01_declara-presiden_es_compdemocratico.doc)

*Protocolo de Ushuaia sobre Compromiso Democrático en Mercosur*, July 24, 1998, accessed June 27, 2016, <http://www19.iadb.org/intal/intalcdi/PE/CM%202012/10289.pdf>.

<sup>23</sup> "Mercosur RIP?", *The Economist*, July 14, 2012, accessed July 28, 2016, <http://www.economist.com/node/21558609>.



While MERCOSUR as an institution carries democratic deficits due to its inter-presidentialist nature (Ziccardi 2014), the creation of the regional parliament PARLASUR reveals how the principle of democracy presents self-organizing and productive qualities. Article 1 of the Constitutive Protocol of the MERCOSUR Parliament reads as follows:

Constitutes the Parliament of MERCOSUR [...], as the representative organ of its people, independent and autonomous, which will integrate the institutional structures of MERCOSUR.<sup>24</sup>

The effectiveness of PARLASUR is questionable as direct elections by its people as envisioned in the Protocol have been postponed and the parliamentary purpose is consultative rather than decision-making (Dri and Ventura 2013). PARLASUR's establishment nevertheless reflects MERCOSUR's democratic values as initiating and shaping institutional progress. Democracy thus beyond being a central and enduring attribute builds the base for self-organizing processes in MERCOSUR, which underline the institution's "actorness" in influencing its members on the behalf of its democratic values.

In its external sphere democracy as part of MERCOSUR's institutional identity is only indirectly reflected. MERCOSUR's decision to temporarily suspend Paraguayan membership was supported by UNASUR following suit.<sup>25</sup> Even though indirectly, the simultaneous suspension of Paraguay from both regional institutions underlined the credibility of MERCOSUR's focus on democratic values. In this sense the actions of UNASUR can be seen as reinforcing MERCOSUR's institutional identity based on democracy and giving legitimacy to a questionable decision. In its interregional relations with the European Union as established through the Interregional Framework

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<sup>24</sup> MERCOSUR, *Protocolo Constitutivo del Parlamento del MERCOSUR*, December 9, 2005, accessed June 27, 2016, [http://www.mercosur.int/innovaportal/file/1104/1/2005\\_protocoloparlamentomcs\\_es.pdf](http://www.mercosur.int/innovaportal/file/1104/1/2005_protocoloparlamentomcs_es.pdf). Translated by the author.

<sup>25</sup> Odeen Ishmael, "UNASUR Applies Democracy Clause On Paraguay", COHA, September 17, 2012, accessed July 28, 2016, <http://www.coha.org/unasur-applies-democracy-clause-on-paraguay/>.

Cooperation Agreement MERCOSUR's finds support for its commitment to democratic values, as both institutions jointly state their

“full commitment to the content and principles of the Charter of the United Nations and to democratic values, the rule of law and promoting and respecting human rights.”<sup>26</sup>

The mutual recognition of shared democratic values thus supports the credibility of democracy as the guiding principle of MERCOSUR's identity in the political sphere and shows self-organizing qualities as it builds the base for interregional relations.

## **6.2 Economic Sphere**

MERCOSUR's institutional identity in the economic sphere is most obviously expressed by its name as the Common Market of the South (Oelsner 2013). Similar to the political sphere economic integration was outlined within the bilateral negotiations of Argentina and Brazil preceding the establishment of the institution itself (Baumann 2001, Dominguez 2007, Philips and Prieto Corredor 2011). Article 1 of the bilateral Treaty of Integration, Cooperation and Development in 1988 states that

The final objective of the present treaty is the consolidation of the process of economic integration and cooperation between the Republic of Argentina and the Federal Republic of Brazil.<sup>27</sup>

In this spirit the foundational Treaty of Ascunción sought to establish a common market by December 31, 1994 with the “free circulation of goods, services and factors of production between countries through the elimination of customs

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<sup>26</sup> *Interregional Framework Cooperation Agreement*, Madrid, December 31, 1995, accessed July 28, 2016, [http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:21996A0319\(02\)&from=EN](http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:21996A0319(02)&from=EN).

<sup>27</sup> *Tratado de Integración, Cooperación y Desarrollo*, 1988.

duties and non-tariff restrictions.”<sup>28</sup> The Common Market is thus not only the vision of what kind of actor MERCOSUR is supposed to be, but the Treaty of Ascunción also outlined the mode of action and a certain path to achieve this goal.

Despite low interdependence at the outset of MERCOSUR its establishment saw an increase in intraregional trade (Baumann 2001; Malnight and Solingen 2014). MERCOSUR thus initially represented a degree of “actorness” as its policies based upon its institutional identity influenced its members to willingly liberalize their trade sectors. While MERCOSUR downgraded its ambition to create a common market to a customs union (Pereira 1999), in its initial decade the common market was not only the central and enduring attribute guiding its workings, but further self-organizing as it influenced its internal interactions and domestic developments.

Severe regional crises such as the Argentinean and Uruguayan recession in 1998, the Brazilian real devaluation in 1999 and the Argentinean financial crisis in 2001, sparked increased criticism of the neoliberal agenda that guided the region throughout the 1990s. This resulted in domestic leadership shifts from outward-looking right-wing rule to inward-looking left-wing rule in all MERCOSUR members (Malnight and Solingen 2014). Not only did MERCOSUR’s members turn inward but they also carried very different visions of the future objective of the regional institution in this changing context (Philips and Prieto Corredor 2011). Oelsner (2013) identifies this as MERCOSUR’s identity crisis, however as the institution’s vision of the common market still stands, this study argues for MERCOSUR’s lack of “actorness”. As MERCOSUR is reliant on the willing compliance of its members through the divergence in collective and institutional identities the institution ran into a deadlock. This deadlock subtracts “actorness” from MERCOSUR because identities do not match and it subsequently fails to generate and project “actorness” through its actions.

An exemplary case of MERCOSUR’s lacking “actorness” is found in the Uruguayan pulp mill dispute. The dispute set out with Uruguay granting the

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<sup>28</sup> *Tratado para la Constitución de un Mercado Común*, March 26, 1991, accessed June 27, 2016, [http://www.mercosur.int/innovaportal/file/719/1/CMC\\_1991\\_TRATADO\\_ES\\_Asuncion.pdf](http://www.mercosur.int/innovaportal/file/719/1/CMC_1991_TRATADO_ES_Asuncion.pdf). Translated by the author.

construction of pulp mills along the Uruguay River, which acts as the natural border between Uruguay and Argentina. The conflict arose not only due to Argentinean concerns over possible pollution by the mills, but also due to their construction without Argentinean permission, as Argentina argued was required under the joint treaty governing the border river. In 2006 Uruguay made demands for reparations under a MERCOSUR Tribunal resulting out of the economic losses inflicted on Uruguay due to the Argentinean blockade of the river. However the settlement of the initial case was raised in front of the International Court of Justice (Di Martino 2009). Even though Uruguay's demands for reparations under the MERCOSUR Tribunal showed some recognition for the conflict resolution mechanisms of the institution, through ultimately bringing the case to the ICJ MERCOSUR was circumvented. This leads to the assumption that MERCOSUR despite carrying the organizational structures lacked identity-related "actorness" in influencing its members to adhering to its internal conflict resolution mechanisms.

In contrast to its internal interactions the external projection of MERCOSUR's institutional identity in the economic sphere provided the institution with some degree of credibility and "actorness" to a point where Phillips (2001) argues that its external projection is in fact what is holding MERCOSUR together. Originally this was illustrated most vividly in the form of Foreign Direct Investment to the bloc, which saw a great increase following MERCOSUR's foundation (Rios 2004). In more recent times MERCOSUR established several Free Trade Agreements with Peru in 2005, and Israel in 2007 and Preferential Trade Agreements with Mexico in 2002, India in 2004, and the Southern African Customs Union (SACU) in 2008.<sup>29</sup> Between 1999 and 2004 FTA

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<sup>29</sup> *Tratado de Libre Comercio entre MERCOSUR y Perú*, Montevideo, November 30, 2005, accessed July 29, 2016, <http://www.sice.oas.org/Trade/MRCSRPerACE58/acuerdo.ASP>.

*Free Trade Agreement between MERCOSUR and the State of Israel*, Montevideo, December 18, 2007, accessed July 29, 2016, [http://www.sice.oas.org/Trade/MER\\_ISR/Core\\_Text\\_e.pdf](http://www.sice.oas.org/Trade/MER_ISR/Core_Text_e.pdf).

*Acuerdo de Complementación Económica No 55 entre México y MERCOSUR*, September 27, 2002, accessed July 29, 2016, [http://www.sice.oas.org/Trade/MERCOSURMexACE55/MERMexAuto\\_s.asp](http://www.sice.oas.org/Trade/MERCOSURMexACE55/MERMexAuto_s.asp).

*Preferential Trade Agreement between MERCOSUR and the Republic of India*, New Dehli, January 25, 2004, accessed July 29, 2016, [http://www.sice.oas.org/Trade/MRCSRIndia/ACP\\_e.asp](http://www.sice.oas.org/Trade/MRCSRIndia/ACP_e.asp).

negotiations with the European Union were under way, which were renewed in 2010 after a six-year interruption.<sup>30</sup> Through the recognition of MERCOSUR as an economic actor in negotiations and through the adoption of several FTAs the institution was able to retain some sort of “actorness”, as these not only supported MERCOSUR’s credibility as an actor but also reflected a sense of self-organizing and productive qualities in advancing on its envisioned path to economic integration.

While MERCOSUR’s dealings with extra-regional institutions like the EU or the SACU provided reinforcing recognition, its relationship with other regional institutions is rather conflicting. The Pacific Alliance established by Chile, Colombia, Mexico and Peru in 2012, which is an open and outward-looking trade bloc facing globalization, is argued to embrace the values and integration model MERCOSUR originally committed to.<sup>31</sup> While discourse evolves around one bloc performing better than the other, it underlines that MERCOSUR’s identity in the economic sphere is still regarded as reflecting this specific path to integration. However this discourse also acknowledges that MERCOSUR failed to act upon this envisioned path and thus lacks “actorness” in influencing its externalities to achieve its initial goals.

## **7 Concluding Remarks: Identity and “Actorness”**

The previous case studies reveal that the evolution and effectiveness of ASEAN and MERCOSUR are inherently influenced by their respective institutional identities as these not only set a certain path to integration through manifesting their central and enduring goals and corresponding interests, but also as institutional identity clearly substantiates the “actorness” of both institutions. For ASEAN its intrinsic principle of non-interference represents the internal

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*Preferential Trade Agreement between MERCOSUR and the SACU*, Maseru, April 3, 2009, accessed July 29, 2016,

[http://www.sice.oas.org/Trade/MRSRSACU/Text\\_2008\\_e.pdf](http://www.sice.oas.org/Trade/MRSRSACU/Text_2008_e.pdf).

<sup>30</sup> European Commission, “EU and Mercosur agree to advance trade talks”, April 8, 2016, accessed June 27, 2016, <http://trade.ec.europa.eu/doclib/press/index.cfm?id=1478>.

<sup>31</sup> “A continental divide”, *The Economist*, May 16, 2013, accessed June 27, 2016, <http://www.economist.com/news/americas/21578056-region-falling-behind-two-alternative-blocks-market-led-pacific-alliance-and>.

mode of conduct between its members, between the institution and its members and the basis for its interactions with its externalities, such as revealed by the initiatives of ASEAN+3, the EAS, and the ARF, and its relations with the European Union. Beyond the management of its membership non-interference thus shows truly self-organizing qualities and underlines the importance of institutional identity as the basis for an institution's "actorness". While the actions and interactions of ASEAN strengthened its identity as a non-interfering institution, the principle of non-interference restrains ASEAN from solving issues such as the South China Sea or transboundary haze pollution. In 2000 the at the time Secretary General of ASEAN Rodolfo C. Severino Jr. thus rightfully acknowledged the questionable role the principle of non-interference will play for achieving institutional progress in the future.<sup>32</sup>

Nevertheless with the establishment of the ASEAN Economic Community in 2015 the institution was able to deepen economic integration despite the non-interference principle. ASEAN's identity as an economic actor based upon liberalization and economic integration reflected not only central and enduring, but also self-organizing qualities. ASEAN pushing its members to independently liberalize their trade sectors underlines the assumption that the institution was able to influence its members on behalf of its goals and interests, which considering the absence of strong organizational mechanisms support the importance of institutional identity. The credibility of ASEAN in the economic sphere is further supported by its external recognition as an economic actor, which is reflected in the various FTAs agreed upon with external actors. Generally speaking ASEAN showed a high degree of "actorness" in projecting its identity on its members and externalities by influencing these on the institution's behalf.

The evolution of MERCOSUR was summarized in clear words by Brazil's Rubens Barbosa, ex-Diplomat who was involved in MERCOSUR's initial creation: "The founding idea that Mercosur would be an instrument of trade liberalisation has disappeared. What we have today is a political and social forum, and

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<sup>32</sup> Rodolfo C. Severino Jr., *No Alternative to Regionalism*, August 1, 1999, accessed June 23, 2016, <http://asean.org/no-alternative-to-regionalism-by-rodolfo-c-severino-jr/>.

micromanagement of trade.”<sup>33</sup> This critique reflects the findings of the present case study on MERCOSUR’s institutional identity. In the political sphere despite several shortcomings democracy continuously represented the institutions central and enduring attribute and truly self-organizing qualities in the ritual of inclusion and exclusion. The establishment of PARLASUR further underlined MERCOSUR’s envisioned democratic nature and shows progress towards achieving this inherent goal. In the political sphere MERCOSUR thus reflects some degree of “actorship”, which supports Barbosa’s idea of MERCOSUR being a rather political project.

In contrast the economic sphere characterized by MERCOSUR’s underlying goal of economic prosperity to be achieved through the envisioned common market as the most fundamental central and enduring attribute of the institution showed difficulties to create “actorship” from the institution’s foundation. The initial downgrading of the common market to a customs union and the fact that neither has been achieved thus far question MERCOSUR’s “actorship” in influencing its members in terms of its envisioned path to economic integration. Considering that MERCOSUR’s identity in the economic sphere remains unchanged the institution faces continuing failure in achieving its original goals and thus fails to accumulate “actorship”. Only the external sphere through the establishment of several F/PTAs generated a certain degree of “actorship” through its economic identity presenting the basis for these agreements. While recognition sprung from the institution’s externalities it fails to achieve the same degree of influence in its internal makings, not only because members do not identify with the institution’s identity since the regional left-turn, but also because MERCOSUR carries a low degree of “actorship”.

The cases of ASEAN and MERCOSUR reveal that institutional identity is central to the effectiveness of institutions as it reflects an institution’s goals and interests and thus sets a path to integration by which to measure an institution’s effectiveness. The evolution of ASEAN shows that a strong institutional identity can guide its members towards deeper integration, despite internal and external difficulties. In contrast the development of MERCOSUR shows how institutional

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<sup>33</sup> “Mercosur RIP?”, *The Economist*, July 14, 2012, accessed June 27, 2016, <http://www.economist.com/node/21558609>.

identity, especially when it diverges from the collective identity of its members, can prevent institutional progress. The political and economic spheres of institutional identity are mutually susceptible to inhibit the evolution of institutions depending on the underlying goals and corresponding interests. For both institutions the external recognition of their identity by third countries as well as interregional relations underlined their continuing credibility. By viewing the institutions as independent social actors external relations thus underline the institutions' "actorness" and can provide them with a great degree of permanence, despite internal troubles. In this regard the construction of regional and institutional identity in the realm of interregionalism and its effects on the effectiveness of institutions deserve further attention, in order to better understand how institutional identity is constructed against an "other" and how this substantiates the institution with "actorness".



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