Assessing the Effect of Presidential Diplomacy, Ideological Convergence and the Absence of a Regional Hegemon on Latin American Regionalism

The Case of the Pacific Alliance and Mercosur

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Master's Thesis for the Master of International Relations

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Leiden, July 2019

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Introduction

Latin America has been dreaming of regional integration at least from the period of decolonization. One of the first attempts made in this respect was led by Simón Bolívar who aspired a league of Latin American nations in the 19th century already. Although Bolívar's project was only met with modest acceptance, this early attempt of regional integration formed an example for future regional cooperation among Latin American countries (Kennedy and Beaton 52).

Since the early days of regionalism in Latin America, a virtually ubiquitous consensus on the beneficial attributes of regional integration developed among the region's most influential actors. This positive attitude is mirrored among the Latin American population as well. In the member states of the Pacific Alliance and Mercosur 76,5 percent of the population is in favour of regional economic integration and 60,4 percent is in favour of political integration as well (*Latinobarómetro* 2017). Today, regional integration is considered to promote economic growth, social equality and social cohesion. Regional integration has become an important objective to strive towards for those in power. The process is even believed to be inevitable and no one doubts its positive effects, both for individual countries as for the region as a whole (Malamud, "Diagnosis and Proposals" 93).

At present, this pursuit of regional integration has given rise to a metaphorical "alphabet soup" of simultaneously existing initiatives (Petersen 102). The OAS, ALBA, LAIA and CAN form just a few examples of these organizations. Contemporary regionalism in Latin America is characterized by fragmentary and overlapping regionalist projects. Furthermore, regionalism in this continent appears highly volatile, evidenced by the creation of new initiatives and the disappearance of old ones following each other at a relatively high pace. This dynamic further results at various instances in overlapping agendas and countries switching memberships (103).

Recent developments illustrate this dynamism in Latin American regionalism. In April of 2018, Argentina, Brazil, Chile, Colombia, Peru and Paraguay announced they were suspending their membership of Unasur (Union of South American Nations), which was only established in 2008,

leaving the organization with just a fraction of its previous members (Reuters). The presidents of the aforementioned countries progressed by establishing yet another regional organization: Prosur. This move further confirms the swing to the right that Latin America is currently experiencing. Prosur is to reflect this new political trend. Contrastingly, Unasur formed a product of the past decade in which left-wing governments dominated the region (Sáez Leal). In this manner, the volatile nature of Latin American integration projects persists.

The present work aims at providing more insight into the complex nature of regionalism in Latin America. By determining three variables, presidential diplomacy, ideological convergence and the absence of regional hegemons, Latin American regional organizations will be assessed. The first chapter will provide an overview of the analytical tools deployed for this analysis. Subsequently, in the second chapter, historical trends will be established by considering the Latin American Free Trade Association (LAFTA) and the Andean Pact. Finally, the influence of the three variables on two contemporary regional organizations, the Pacific Alliance and Mercosur, will be analysed in the third chapter. The hypothesis directing this analysis is as follows: “Presidential diplomacy, ideological convergence and the absence of a regional hegemon have the potential of, or already have had, a negative influence on the Pacific Alliance and Mercosur’s stability and the achievement of their long-term objectives.”

Chapter 1

Leading Approaches and Latin American Particularities in the Field of Regionalism

Introduction

Processes of regionalism in Latin America have for a long period challenged scholars in the field of regionalism. Regional integration in Latin America did not fit the trajectory which was to be expected from traditionally accepted theories on regionalism, developed from the European example. In particular, the non-linearity of the integration process differed from what was to be expected. However, this complexity and different forms of regionalism present in the continent also make regionalism in Latin America a fascinating case to study. Furthermore, Latin American regionalism is a dynamic process in which members of the existing regional blocs vary in membership, some countries even shift form one organization to the other, and their objectives. The current chapter is aimed at providing an overview of the building blocks for this thesis. The chapter starts with a brief overview of influential approaches in the field of regionalism and thereafter explores the study of regionalism in the Latin American context and the different waves of regionalism Latin America has experienced. Finally, three variables are identified: presidential diplomacy, ideological convergence and the absence of a regional hegemon. These will serve as tools for the analysis of Latin American regionalism in this work.

1.1 Leading Approaches on Regionalism

Since a liberal trading system began to take form from the second half of the 19th century onwards, regionalism has become a frequently studied concept for many International Relations scholars (Mansfield and Solingen 147). The last few decades, especially, have given rise to a significant increase in the proliferation of regional institutions. This development has been accompanied by an equally impressive surge in scholarly research on this subject which has been particularly interested in this process' causes and effects (146). Regionalism can be understood as the project and subsequent

policies associated with the construction of regional institutions (Söderbaum 479). This concept can thus be comprehended as a primarily top-down political process marked by cooperation and coordination between (non-)state actors (Mansfield and Solingen 146). Much debate has taken place among scholars on a precise definition of regionalism and consensus is yet to be reached.

Simultaneously with the establishment of the European Economic Community (EEC) in 1957, different approaches to the academic field of regionalism emerged. It was during this period that an understanding of regionalism merely being of significance with regard to national security shifted to one that began to focus on welfare as well (Archarya and Johnston 8). Among the most influential approaches were neofunctionalism and transactionalism. Neofunctionalism emphasizes the importance of politics in regionalism and includes non-state actors, such as pressure groups, for one of the first times. A central figure in the field of neofunctionalism was Ernst Haas who criticized functionalism for disregarding centres of power (Söderbaum 480). One of this approach's key concepts is that of the "spill-over effect". According to this concept, regional cooperation in one issue-area will eventually necessarily result in cooperation in additional areas due to the pressures that were created in one (economic) sector for further integration outside this sector. In this manner, the spill-over effect would result in ever-increasing authority on the regional level. Neofunctionalism further introduced the concept of a "political community" as the final product of regionalism (Acharya and Johnston 4). One of the most common criticisms to neofunctionalism is its inability to explain how any integration process is initiated (Malamud, "Comparative Theories" 10).

The Transactionalist approach looks at regionalism as a process of "community building". Transactionalism is most known for coining the concept of a "security community" which constitutes regionalism's end-product in which states enjoy long-lasting peaceful development and have foregone the use of force among members of the community (5). Many scholars, like Acharya and Johnston, have voiced criticism on transactionalism for ignoring the effect of institutional design on the process of regionalism and, like Malamud, for leaving the role of domestic political regimes aside (Acharya and Johnston 5, Malamud, "Comparative Theories" 11). Like neofunctionalism, transactionalism included

the roles of non-state actors and interest groups in regional integration (Söderbaum 482). However, many scholars have since argued that the resilience of the nation-state has been underestimated by these theoretical approaches.

The traditional approaches to regionalism mentioned above, were characterized by an emphasis on the top-down processes of regionalism and awarded less attention to regionalization, which refers to the bottom-up and often spontaneous processes that may precede regionalism (Fawcett 433). Furthermore, this early scholarly debate was almost exclusively concentrated on Europe. The example of the European Union was utilized as the basis for the formulation of generalizations about the development of regional integration in other parts of the world (481). However, these predictions increasingly appeared not to correspond with the development of regional integration in reality. A renewed surge in nationalist discourse disregarded neofunctionalist's logic of the spill-over effect when leaders, like France's Charles de Gaulle, proved more wary of residing national authority to regional organizations. The linear trajectory towards a security community, as predicted by transactionalism, was interrupted and is still far out of sight (480).

With the end of the Cold War and the simultaneous end to the bipolar world order, came a shift in the study of regional integration dubbed "new regionalism" (481). New regionalism advocates a broader understanding of regionalism, acknowledging the importance of both state and non-state actors. Its primary concern is to demonstrate the decline of the nation-state and intergovernmental interaction and emphasize the growing importance of actors such as the informal sector and NGOs (Acharya 10). These changes in power balance resulted in the establishment of an increasing number of regional institutions globally (Fawcett 438). What was new about this wave of regionalism was its open character reflected in the rise of neoliberalism and an increasing rate of globalization. For this reason, new regionalism has also become known as "open regionalism" (Söderbaum 482). This period of regional integration was characterized by a significant surge in new regional organizations around the globe. It was in this context that the Mercosur was established, and NAFTA was signed and ratified (Puntigliano and Ruis 12).

The main challenge to the current field of regionalism is the process' fragmented nature. In the time of Ernst Haas' first ventures into the study of regional integration, when one could get away with focusing solely on the European Union, today's reality of regional organizations and other integration efforts has evolved into a much more complex situation. As scholars like Söderbaum argue, today we may be forced to speak of regionalisms in plural. Compared with the early days of regionalism, the study of regional integration has not proven to be static. Both its ontology, the object under investigation, and epistemology, the way we study this, have undergone major changes (Söderbaum 482). The new regionalist landscape consists of an increasing number of actors, both state and non-state, and across numerous interrelated dimensions. This reality also goes against the belief that regionalism is inherently expansionary in nature. In modern times, regional integration efforts have had to deal with some major setbacks. Söderbaum further demands attention for the fact that comparative studies between different projects around the globe have lagged behind, leaving a consensual understanding of regionalism far out of reach for the foreseeable future (483).

By holding on to regionalist approaches developed from the European context for a prolonged period of time, the field of regionalism now seems to struggle to make sense of regional integration outside of Europe. When this focus eventually started to shift gradually in the 1980s, Latin America had already developed a significant history of regional integration. However, as will be further illustrated below, the dominant theories had mostly focused on linear processes of expansion and were confronted with a context of dynamic regionalism and non-linearity which posed some major challenges to the existing approaches.

1.2 Regionalism in Latin America

As many scholars have pointed out, theories on regionalism extrapolated from the European example were unable to make sense of the regional integration processes taking place in Latin America. None of the Latin American regional integration projects neatly fit into the approaches developed from the European case (Malamud, "Comparative Theories" 3). Puntigliano adds that neo-functionalist ideas,

like the spill-over effect, might be of value in the context of industrialized and economically developed countries, in the case of developing countries, as is the case of Latin America, they have proved of little help (Puntigliano and Ruíz 46). Especially the relatively short cycles of regionalist projects in the continent did not match with what was to be expected from frameworks such as neofunctionalism and transactionalism in which regional integration was an ever-expanding process (Orjuela and Chenou 41). Rather than progressively becoming more integrated, regionalism in Latin America has experienced numerous setbacks as the emergence and subsequent disappearance of regional organizations follow each other at a high pace. This Latin American reality goes against the traditional belief that regionalism is inherently expansionary in nature.

In the academic literature on Latin American regionalism numerous variables have been deployed in order to explain the successes, or the lack thereof, of regional integration projects. Puntigliano and Ruiz, for example point to Latin American countries' search for autonomy whereas Malamud emphasizes the region's tendency towards direct intervention by the executive, strong federalism, frequent appeals to referenda and a high degree of social pluralism (Puntigliano and Ruiz 7, Malamud, "Comparative Theories" 12). All in all, the field of Latin American regionalism contains several dichotomies. One major dichotomy consists of a focus on external factors *vis à vis* a focus on domestic factors in making sense of regional integration in the continent (Orjuela and Chenou 42).

Both internal and external explanations serve a purpose in understanding Latin American regionalism. External explanations, for example, may look at the role of the United States in shaping the geopolitical reality to which certain types of regional organizations form a response. Furthermore, external explanations may point to the role played by institutions like the European Union and the United Nations in promoting integration on a global scale. External explanations of regionalism in Latin America thus provide insight into the context in which regional organizations emerge or disintegrate. However, they tend to disregard Latin American states' agency in processes of regional integration (43).

Internal explanations, in turn, allow Latin American states to transform from mere passive players to active ones in the dynamics of regional integration. Especially after a decline in the United States' hegemony in the region (from the 1990's onwards) began to take form, domestic factors have been emphasized more often by scholars to analyse regionalism in Latin America. From this period onwards, Latin American states were increasingly able to establish their own rules of the game regarding regional integration (Quiliconi 247). Internal explanations on regionalism in Latin America look at regional organizations as forming part of the foreign policy agenda of Latin American countries. This agenda is often motivated by a pursuit for autonomy and development to which regional integration may form a tool (Orjuela and Chenou 43). In their book, Puntigliano and Ruíz outline three principal internal motivations behind Latin American regionalism since independence. The first holds that a strong desire for autonomy *vis á vis* the major international players and an improved bargaining position at the international level have motivated regionalist efforts. The second explanation holds that it is believed that regional integration may serve as a tool for overcoming social and economic inequality and economic development in Latin American countries. The third motivation establishes a link between the idea of a common Latin American cultural identity with the trust in regional integration efforts (Puntigliano and Ruíz 7).

Thus, although the field of Latin American regionalism may be fragmented to some extent, it offers some alternatives to the imported approaches which were designed to explain regionalism in Europe and were not able to make any meaningful lasting contributions to the study of regionalism in Latin America (Orjuela and Chenou 44). In the following pages, internal explanations will have a preference over external ones. Considering the significant increase in autonomy of Latin American nations in the most recent waves of regionalism, internal explanations are believed to offer more compelling explanations for contemporary regionalism in Latin America (45). This is not say that external explanations have lost importance all together. The choice for a focus on internal explanations has been made on the basis that these allow us to better analyse regionalism from a predominantly Latin American perspective.

1.3 Waves of Regionalism in Latin America

In the field of Latin American regionalism, scholars time and again make distinctions between different "waves" of regionalism. A wave can be defined as "a period in which states create or redefine institutions according to shared ideas" (Petersen and Schulz 105). As Dabène argues, these successive historical phases mirrored paradigmatic shifts (Puntigliano and Ruíz ix). Although regionalism in Latin America has been present at least 100 years before its first manifestations in Europe, when considering contemporary history, scholars usually distinguish three waves of regionalism in Latin America (Acharya and Johnston 11). Malamud argues that the only enduring results were reached during the third wave of regionalism (Malamud, "Comparative Theories" 3). Besides the three generally accepted waves various authors have made cases for additional waves to make sense of the regionalist dynamics from the late 1990s onwards.

The first wave of regionalism in Latin America emerged at the time that the previous model for development, import substitution industrialization (ISI), developed the necessity to reach beyond the border of its national markets and increased access to international markets was deemed essential for further development (Malamud, "Latin American Regionalism" 639). The start of the first wave of regionalism in Latin America coincides with the establishment of the United Nations Economic Commission for Latin America and the Caribbean (CEPAL) in the 1960s. CEPAL was aimed at promoting regional economic integration as a device to stimulate industrialization of the continent (Puntigliano and Ruíz ix). As Riggirozzi points out, this first wave was primarily concerned with trade promotion and lacked a socio-political dimension. It was in this context that in 1960 the Latin American Free Trade Association (LAFTA) was established as well. LAFTA's primary objective consisted of removing barriers to intraregional trade (Riggirozzi 428). The Central American Common Market (CACM) stems from the same year. During this period the EEC formed an example for Latin American integration efforts (Puntigliano and Ruíz ix).

The second wave of regionalism began to take form during the 1970s and 1980s, a period characterized with an overall sentiment of disappointment with the results of trade liberalization and

existing regional organizations. Especially the levels of industrialization these organizations promised failed to be met (Puntigliano and Ruíz xi). Products of this period are the Andean Pact (CAN) and the Caribbean Community (CARICOM). The CAN in particular came into existence out of frustration with LAFTA's deficiencies such as its slow progress and unequal distribution of benefits (O'Keefe 7). This sentiment led the actors promoting integration to reassess their goals and make them less ambitious. During this period LAFTA was replaced with Latin American Integration Association (LAIA).

A third wave took place after many Latin American countries restored their democracies from the 1980s onwards after experiencing military dictatorships (Malamud, "Latin American Regionalism" 639). This period was accompanied by the rise of neoliberal ideology in the world, and Latin America did not form an exception to this trend. Regionalist projects of this period have often been characterized as "open regionalism" and its best-known products are the Common Market of the South (Mercosur) and the North American Free Trade Area (NAFTA). This wave was marked by the Washington Consensus which advocated free trade and decreased state interference in economic and social matters (Petersen and Schulz 105). Under the United States' initiative, the non-exclusionary nature of this wave of regionalism was translated into the Free Trade Area of the Americas (FTAA) of which the negotiations began in 1994. However, due to a number of factors, among which economic crises, opposition against the FTAA steadily increased and the initiative was eventually abandoned. Neoliberalism's popularity eventually plummeted and with this came a return to a more politicized version of regionalism (106).

The most recent wave of regionalism, starting from the late 1990s beginning of the 2000s, has been characterized in multiple ways by different scholars. Authors have great difficulties with labelling the current wave. The result is a series of ambiguous and sometimes even contradictory definitions like "defensive", "post-hegemonic" and "post-liberal" regionalism (106). The start of this wave coincides with the "Pink-Tide" in Latin America, a continent-wide swing to the left, due to which purely trade focused integration came under attack (Puntigliano and Ruíz 10). This period gave rise to a new conception of integration which challenged the United States' hegemony and resulted in the

establishment of several regional institutions which expanded their agendas into the political realm (Lima 343). Quiliconi has argued that this period gave rise to fragmented regionalism where on the one hand the United States struggles to maintain influence by the signing of bilateral Preferential Trade Agreements (PTAs). On the other hand, countries such as Brazil focus on regional integration among Latin American states to counter the United States' hegemony and establish their own rules of the game independently (Quiliconi 247). The Bolivarian Alliance for the People of Our America (ALBA), sponsored by Venezuela and the Union of South American Nations (UNASUR) are amongst the most notable examples of regional organizations stemming from this period. The agendas of these organizations include, besides trade, cooperation in the area of defence, security, infrastructure and environment (Puntigliano and Ruíz 10).

The above goes to show that despite some major paradigmatic shifts, in Latin America there has been a constant commitment to regional integration. Although the understanding of the best form of integration has varied, from simple market integration to more complex political forms, each generation of political actors has continued the trend of regional integration efforts (x). Situating a regional organization in one of the waves outlined above may prove a helpful tool in the subsequent analysis since this may provide insight into an organization's objectives, motivations and policy choices.

1.4 Intervening Variables

In the field of Latin American regionalism, scholars have deployed various variables in order to make sense of the unique characteristics of Latin American integration. Below, three influential variables are outlined. The following sections will each start with an explanation of the variable and continue by relating this factor to the Latin American context.

1.4.1 Presidential Diplomacy

The concept of presidential diplomacy refers to the more prominent and hands-on role played by certain executives in conducting their nation's foreign policy. Concretely, in the context of presidential

diplomacy, presidents assert more influence and are more directly involved in foreign policy affairs than is to be expected in the average presidential democracy (Cavalheiro 90). The mechanism of presidential diplomacy is characterized by so-called “summit diplomacy” in contrast to the more prevailing forms of institutionalized, professional diplomacy in international relations. The result of presidential diplomacy is that presidents resort to direct negotiations whenever important decisions have to be made or crises have to be resolved. On a regional level, the outcome of presidential diplomacy has been dubbed “interpresidentialism” which is the product of the domestic context of a presidential democracy, in combination with presidential diplomacy as an international political strategy. This strategy is facilitated by a domestic political system in which presidential interventions have been traditionally endorsed (Malamud, “Latin American Regionalism” 649). As Cavalheiro argues, one of the most important advantages of presidential diplomacy is that, on a regional level, in periods of presidential like-mindedness, progress in the area of integration and cooperation can be made in a limited amount of time. On the other hand, in situations where presidents differ significantly in their approach to foreign relations, gains are much harder to be obtained in the context of presidential diplomacy than in a context of institutionalized diplomacy (Cavalheiro 177).

Presidential democracies are the most common political systems in Latin America. This system is characterized by the concentration of substantial powers in the person of the president. This makes presidential diplomacy a relevant concept in the way policy is being shaped in the region (Orjuela and Chenou 43). Especially since the turn of the century, presidential diplomacy has proved to be a crucial driver behind the process of regional integration in Latin America. Most decisive in this period was the United States refocusing its foreign policy towards the East in the wake of 9/11. This shift allowed for more autonomy on the part of Latin America in developing its foreign strategies (58). In regional organizations, Mercosur forming one example, presidential summits often form the most important tool in setting out the political direction. The result is an atmosphere characterized by intergovernmentalism stemming from a desire to protect executive leadership from institutional encroachment (Malamud, “Latin American Regionalism” 643). After all, powerful executives are

expected to be less likely to relinquish sovereignty to the regional level. One of the major challenges in an environment of interpresidentialism in Latin American regionalism, as pointed out by Petersen, is the absence of a long-term stable foreign policy agenda since the election of a new president in one of the member states may have major effects on the regional agenda. The result is a high degree of volatility present in regional cooperation efforts, making the initiatives' futures more uncertain than in a context where institutionalized diplomacy, which is less dependent on the president in charge, forms the accepted way of shaping foreign policy (Pertersen and Shulz 107).

Including presidential diplomacy in an analysis of Latin American regional organizations, therefore, appears to be a useful tool in gaining more insight into regionalism's particularities in the Latin American context. By applying this lens to the case of a regional organization, parts of a possible explanation for Latin American regionalism's low levels of institutionalization and volatility of policies and agendas may be uncovered.

1.4.2 The Role of Ideological Convergence in Regional Organizations

Related to the concept of presidential diplomacy are the ideological backgrounds of the presidents in power. It has been argued that ideological convergence among regional executives facilitates regional cooperation and integration. As Orjuela and Chenou argue in their article, "ideology is an essential factor of integration" and ideological convergence among member states' executives may serve to explain the failure or success of a regional organization (Orjuela and Chenou 41). In regional organizations, periods of ideological convergence may result in an increased number of treaties as well as shifts in the regional policy agenda in accordance with the dominant ideological stance (Pertersen and Schulz 120). A context of ideological affinity among regional executives may eventually even give rise to the establishment of a new regional organization which mirrors the dominant ideological background in question. A further role for ideology in regional integration projects lies in the prominence of ideologically motivated arguments in presidential discourse when interacting in these regional organizations. A high level of discrepancy between the ideological affiliations between the

member states' presidents may consequently result in a diplomatic environment marked by confrontation, reducing the number of agreements reached and decisions made (Orjuela and Chenou 53).

In the Latin American context, the combination between presidential diplomacy and the prominence of ideology may account for the volatile nature of regional blocs that often coincide with presidential changes (59). However, not all scholars agree on the importance of ideology in Latin American regionalism. Malamud, for example, asserts that regionalism is not accelerated by ideological convergence but rather by the prospect of sharing durable interests. This author does agree, however, that in order to construct stable regional organizations, Latin American states should refrain from proposing integration initiatives which serve to legitimize certain ideological models (Malamud, "Diagnosis and Proposals" 113). In their book, Gardini and Lambert acknowledge the effect of ideology on Latin American foreign policies but point out that pragmatism and ideology have experienced a parallel rise from the 2000s onwards (Gardini and Lambert 4). Accordingly, ideology and pragmatism are not mutually exclusive factors when assessing foreign policy choices but rather consist a continuum. Numerous variables may affect this balance including the resources available for the execution of foreign policy, a country's aspirations on the world stage and the historical context (30). These authors further note that countries can simultaneously deploy pragmatic and ideological strategies depending on the objective and the audience of the policy in question. Taking the example of Venezuela under Chávez, it is indicated that ideological rhetoric was used in the international arena when the objective was to challenge the existing order (with the establishment of ALBA) while at the same time pragmatism prevailed when the goal was to join a regional organization, Mercosur in this case (256).

Although, the authors cited above may differ in their assessment of the importance of ideology in Latin American regionalism, they all agree that ideology affects the mode of regional integration in the region. Orjuela and Chenou even present the case that ideological factors account for the most important variables that differentiate Latin American regionalism from that of other regions (Orjuela

and Chenou 42). Adding an ideological dimension to an analysis of regionalism in Latin America may, therefore, aid in overcoming to some extent the constraints and inadequacies of theoretical tools designed to study regional integration processes in Europe.

1.4.3 The Absence of a Hegemonic Power in Regional Organizations

The effect of a regional hegemon in facilitating the durability of regional integration projects forms another factor which may be of assistance when analysing regional organizations in Latin America. In the context of regionalism, the existence of a hegemonic force may foster durable integration when a state succeeds in framing its vision on how the regional political system should be shaped and managed as being in the common interest. Ideology ties in with the concept of hegemony in the sense that, in the context of regionalism, the construction of an ideologically based order, which enjoys broad consent from all that adhere to it, is the final product of a regional hegemonic order (Burges 195).

The concept of consensual hegemony, in particular, has been deployed in relation to regionalism. Consensual hegemony relies on the power of ideas in constructing consensus about how regional affairs should be managed while embedding the main interests of the (regional) hegemon in the system's structure (196). An advantage of a consensual hegemonic status is that, when executed effectively, the regional order can be maintained without the use of force and the possible costs this may accompany. On the other hand, a reliance on the ideational dimension may also result in the weakness of this form of hegemony. Fragility of the hegemonic order may be sparked when differing ideologies come to challenge the existing order (197). Given that regionalism rarely relies on hard power instruments, the soft power approach of consensual hegemony has proven to be a useful concept in the study of regionalism.

In Latin America, the United States' shift in attention from this region to the Middle East around the turn of the century, opened the way for alternative hegemons. It was during this period that Brazil began a pursuit for regional consensual hegemony. Brazil was aided by an environment in which regional integration was not considered to be a main priority among its neighbours due to

aftermath of transitions to democracies with which governments still struggled at the time (198). Since Brazil's insertion in the BRIC's category its status as an emerging power became generally accepted. The country aimed at making use of this momentum to pursue its desire of becoming a regional hegemon. Products of this strategy were the establishment of Mercosur in 1991 and UNASUR in 2004 (Quilliconi 246). However, being considered highly promising at first, these regional organizations gradually seemed unable to achieve the ambitious goals set out and Brazil increasingly seemed unable to increase its role as a regional hegemon due in part to domestic crises (249). After twenty years of Brazilian ascendancy in the region and the world, today Brazil's rise has become troubled by recession and political crisis combined with uncertainty about the United States' new isolationist stance in foreign affairs and increased Chinese influence in the continent (Long 114). This absence of a strong regional hegemon in Latin America, some scholars argue, has resulted in the volatile nature of regionalist projects.

The absence of a regional hegemon in Latin America thus seems worth considering in the following analyses of Latin American regional organizations. In exploring the effects of this absence, some contributions to an explanation of Latin American regional organization's lower levels of stability and internal divisions may be discovered.

Conclusion

This chapter was aimed at providing an overview of the building blocks and tools for the proceedings of this thesis. The study of regionalism was developed with the European example in mind and the theories produced proved to be largely incompatible with the Latin American reality which developed at a rapid rate. In the field of Latin American regionalism, various arguments have been developed to address the particularities of regionalism in this context. Internal explanations grant most autonomy to Latin American actors and appear to align with contemporary regionalism in Latin America most adequately. Therefore, three distinct internal variables were identified: presidential diplomacy, ideological convergence and the absence of a regional hegemon. These factors may serve as analytical

tools in assessing regionalism in Latin America and overcoming some of the traditional approaches' deficiencies. In the final chapter, the applicability of these factors in the cases of Mercosur and the Pacific Alliance will be assessed. By doing so, this work aims at gaining some insight into the particularities and influential factors of importance to regionalism in Latin America.

Chapter 2

Historical trends in Latin American Regionalism: the case of LAFTA and the Andean Pact

Introduction

Latin America has a very rich and complex history when it comes to regionalism. As outlined in the previous chapter, this history has been characterized by different waves of regionalism. Each wave mirrored a paradigmatic shift taking place in the region, accompanied by regional convergences of interests and the rise and diffusion of new ideas (Puntigliano and Ruíz 7). The following chapter considers two regional organizations which have largely lost their importance on the Latin American political stage, the Latin American Free Trade Association (LAFTA) and the Andean Pact. Both are a product of a distinct wave of regionalism in Latin America which is mirrored in their institutional design and objectives. Subsequently, the three variables introduced in the previous chapter, presidential diplomacy, ideological convergence and the absence of a regional hegemon, will be applied to these cases. This analysis aims at demonstrating the salience of these factors, not just in current Latin American regional integration projects but as part of a historically recurring trend. These factors contribute to legacies that continue to have implications for Latin American integration today.

2.1 The Latin American Free Trade Association: An Ambitious Project with Disappointing Results

The Latin American Free Trade Association (LAFTA) forms one of the most notable examples of a regional organization, product of the first wave of regionalism in Latin America. In 1960, Argentina, Brazil, Chile, Mexico, Paraguay, Peru and Uruguay signed the Treaty of Montevideo with which LAFTA came into existence. In the following years, Ecuador, Colombia, Venezuela and Bolivia joined the association. The promotion of free trade within the bloc was the primary focus of this organization. The establishment of LAFTA resonated with the height of the Import Substitution Industrialization (ISI) policies of the period (Malamud, "Diagnosis and Proposals" 95). Its members believed that the creation of a regional "domestic market" would enhance domestic

industrialization goals. The role of the state would remain pronounced in this scenario (Puntigliano and Ruiz 246). The emphasis on economic integration was supposed to eventually result in a Latin American common market (37). This goal was to be achieved by the promotion of liberalizing, diversifying and expanding trade between Latin American countries and in this manner obtain economic autonomy (199). LAFTA solely focused on eliminating barriers to intra-regional trade, no provisions on harmonizing external policies or policies beyond the economic sphere were included in the Treaty of Montevideo (Domínguez 111).

Presidential diplomacy played an important role in LAFTA's establishment and institutional design. It was at the inter-presidential level that the initiative of LAFTA came about and its institutional design was crafted. (Domínguez 108, O'Keefe 5). However, after LAFTA's initial establishment, national presidents disappeared largely from the scene. LAFTA's main negotiations were attended by member states' middle-level bureaucrats who often enjoyed less political support and lacked active backing and involvement of their respective presidents (113). Additionally, the national presidents were largely absent in this decision-making structure. The Council of Ministers for Foreign Affairs made up LAFTA's highest institutional body followed by the Conference of Contracting Parties. The first was primarily tasked with associating the political authorities with LAFTA's work and the latter, consisting of representatives of each member state, better resembled a framework for negotiations than a directing body (Sidjanski 11).

Progress on the process of trade liberalization within LAFTA was made at a slow pace for two reasons primarily. First, LAFTA was deficient of automatic procedures. This meant that for each group of goods a lengthy process had to be set into motion. During negotiations, common lists of goods for which the members agreed to lift all trade restrictions over a period of twelve years were crafted. The negotiations proceeded product-by-product which made them time consuming and ineffective (Domínguez 112). One result of this mechanism is that important groups of goods tend to be avoided in the negotiations and, consequently, liberalization primarily takes place in marginal sectors where agreements are most easily reached (109). Second, unanimous consensus, among the eleven member

states, eventually had to be reached in the Council of Ministers. In order to reach consensus among such a large number of states, compromises have to be made. These compromises tend to be mirrored in the minimal agreements and vague language of LAFTA's resolutions (108). Furthermore, the unanimity rule often becomes an obstacle to institutional flexibility and vigour, and results in resolutions which are challenging to interpret (Puntigliano and Ruiz 152).

LAFTA's institutional framework may thus be considered to have been ill-designed for a context in which the national presidents largely retracted from the organization and contributed to the slow progress booked and unsatisfactory results obtained. In 20 years of LAFTA, only 6 percent of imports had become subject to LAFTA agreements (Domínguez 112). This disappointing result reflects the absence of an adequate decision-making structure in place prior to the abandonment of the inter-presidential level. In the case of LAFTA, presidential diplomacy thus primarily played an important role in the organization's founding. However, thereafter, presidents were mostly not proactively involved and left the negotiations to bureaucrats. As some authors point out, increased executive involvement during the initial stages of regional organizations contribute to an acceleration in the integration process (113). Therefore, one may argue that LAFTA would have benefitted from higher degrees of presidential involvement during its first years.

LAFTA came about during a period marked by ideological convergence on the paradigm of ISI, or "statist developmentalism", among regimes in the region (Petersen 118). From the 60s onwards, the concept of "development" became a key concept in Latin American politics, replacing earlier concepts like "progress" and "socialism" (Puntigliano and Ruiz 247). LAFTA fit this ideological framework since it aimed at decoupling Latin America from the world market, granting the opportunity to develop domestic industries while simultaneously creating a market for the newly established industries' goods on a regional scale, preventing competition from the world market.

However, as time progressed, the political compatibility of the regional governments started to decrease. In particular from the 1970s onwards, as several Latin American countries came to be ruled by military dictatorial regimes, more leaders aligned themselves with Washington's policies and

ISI came under attack for not attaining the promised goals (Puntigliano and Ruíz 200). A period marked by a general disregard for LAFTA commenced and it was only when Latin American countries began to regain their democracies that interest in regional integration was re-sparked. As a result, in 1980 the LAFTA initiative was brought back to live as the Latin American Integration Association (LAIA). However, by this time the regional political context had changed significantly from the starting days of LAFTA. LAIA was an even looser association and had a more limited scope that LAFTA. Neither LAFTA nor LAIA achieved its goal of establishing a Latin American common market and when the region entered a period marked by the debt crisis in 1982, LAIA and regional economic integration lost attention as the Washington consensus began to conquer the continent (Domínguez 112, O'Keefe 6).

Today, LAIA does still exist but solely as a broad framework for bilateral trade agreements without the goal of establishing a common market. When considering the ideological context, it thus becomes clear that ideological convergence around the principles of ISI boosted the establishment of LAFTA, but when a paradigmatic shift began to take form from the late 1960s onwards the initiative was largely disregarded. This trend even resulted in the departure of several member states.

At the time of LAFTA's establishment, Mexico, Argentina, Brazil and Chile were the region's largest industrial powers. However, none of these countries can be said to have assumed the role of a regional hegemon. Although all countries were supporters of ISI, significant differences existed in their visions for regional integration and its practical implications. Out of the four, only Mexico was an outspoken supporter for the plan of the creation of a common market (O'Keefe 5). In contrast, according to Argentina's president Péron, a common market would work primarily to the benefit of Multinational Cooperations (MNCs), as he believed that true integration could only be achieved by a customs union (Puntigliano and Ruiz 247). The remaining countries advocated for a more modest goal, a free trade area. LAFTA's members were not able to converge these contrasting views and reach consensus on an adequate economic regime for the organization (Domínguez 136).

Furthermore, member states characterized by weaker economies complained that the larger economies benefited disproportionately from trade liberalization, although an equal distribution of

benefits from integration was promised in LAFTA's founding treaty. Nevertheless, none of the major economies in LAFTA proved willing to address these concerns and coordinate redistribution policies (Mattli 147). The result being that LAFTA in reality proved more *laissez-faire* than was established in Treaty of Montevideo. In the absence of a regional hegemon, these internal divisions produced an increased institutional fragility which eventually resulted in the exit of member states, as we will see below. In such a context a hegemonic power could serve to promote and sustain a dominant model of regional integration, overcoming such internal divisions (Domínguez 137).

To conclude, LAFTA was the product of a top-down process initiated by national presidents. However, soon after its establishment, presidents were no longer pro-actively involved in the organization. Without an effective decision-making structure in place this proved to be problematic for LAFTA. Only modest progress was achieved after time-consuming processes, which always ultimately required unanimity among the organization's eleven member states. Although once established the inter-presidential level was only of modest important, LAFTA does fit the trend of Latin American regionalism in which regional integration projects are top-down processes resulting from presidential initiatives (Aranda 554). LAFTA was contemporary to the first wave of regionalism in Latin America marked by ideological convergence around the ISI paradigm. However, in light of the subsequent paradigmatic shift, signalling the start of a second wave of regionalism, LAFTA proved unable to secure itself a stable future. The organization entered a period of stagnation which resulted in the exit of several member states. In the absence of a hegemonic power, the organization's stagnation and growing internal divisions were able to develop even further.

2.2 The Andean Pact: Learning from the Past?

The second wave of regionalism was marked by a disenchantment with ISI, which largely failed to live up to its promises, and the gradual entry of neoliberalism in the continent. It was during this period that, out of frustration with LAFTA's deficiencies, in 1969 Bolivia, Chile, Colombia, Ecuador and Peru decided to form the Andean Pact, officiated by the Cartagena Agreement. Venezuela was later

admitted as a member in 1973. The Andean Pact was initially established within the LAFTA framework but soon developed into an independent organization (O'Keefe 7). The Andean Pact aimed at addressing two of LAFTA's major weaknesses by improving conditions for the participation of less economically developed member states while simultaneously aiming for the elimination of all barriers to trade within the bloc and the creation of a common external tariff, first creating a customs union and subsequently a common market (Malamud, "Comparative Theories" 9). The Cartagena Agreement set the goal for eliminating all barriers to free trade within the bloc and a Common External Tariff for the end of 1980. Bolivia and Ecuador were granted more time due to their lower levels of economic development (O'Keefe 7). The experience with LAFTA motivated the Andean Pact to create an automatic mechanism for trade liberalization to guarantee continued progress in this area (Sidjanski 109). On an institutional level, a decision-making structure was designed, consisting of the Commission and the Junta, in which majority-rule voting predominated, instead of unanimity, and which decisions were to be binding. This institutional design made the Andean Pact highly ambitious and one of the most far-reaching integration initiatives the region had seen thus far (Malamud, "Comparative Theories" 11).

The initiative for the Andean Pact came from Chile's president Frei and Colombia's president Lleras Restrepo (Domínguez 113). These presidents led the initiative during its first years. This initial active presidential engagement resulted in major progress in the field of economic policy coordination. However, after this initial period of presidential engagement the process of integration and implementation was once again left in the hands of middle-level bureaucrats, lacking substantial authority (114). Only in 1990 the Andean Presidential Council was established which came to be the highest body in the organization (Malamud, "Comparative Theories" 10). Prior, the most important bodies consisted of the Commission and the Junta which were both supranational authorities. In these bodies decisions were reached on the basis of majority-rule voting, in contrast to LAFTA's unanimity rule, and its authority was binding, making this structure notably ambitious (Malamud, "Comparative Theories" 5). The role of the individual president thus increased again in importance over time as

intergovernmental bodies came to dominate the existing supranational ones. By the time the Andean Presidential Council was established, the member states had returned to democracy, but the new political regimes were still characterized by instability (Mattli 149). These young governments often reversed previous policies provoking instability at the highest level of the regional organization (150). Moreover, a regional paradigmatic shift had already taken place by the time these institutional reforms were gradually implemented, the Andean Pact was overtaken by events as neoliberalism increasingly gained in influence. In the 1980s, the organization's policies began to shift in order to mirror the paradigmatic shift that was taking place, but the organization began to lose influence nevertheless (Daniels 156).

At the time of the establishment of the Andean Pact, a degree of ideological similarity was present among the signatory countries. The five founding countries all had (centre) leftist presidents who preferred a larger role for the state than was granted in LAFTA (Domínguez 113). The initiative included an extensive program aimed at providing a preferential treatment to the lesser-developed countries such as Bolivia and Ecuador (Malamud, "Comparative Theories" 6). The intention was to promote a more balanced regional economic growth and have a larger say in deciding where new industries would be located rather than leaving this up to the market as was the case in LAFTA (Domínguez 8). An example of this higher degree of intervention was the controversial adoption of Decision 24 which prohibited foreign investors to possess 50 percent or more in stock of any Andean company (8).

However, this ideological compatibility came under attack when Chile came under the rule of general Pinochet, for whom the Andean Pact was too statist, and decided to withdraw Chile from the organization in 1976 (114). Increased ideological heterogeneity from the late 1970s onwards, resulting from the proliferation of military dictatorships in the region, accelerated difficulties for the Andean Pact. The ideological divergence led to disagreement on the organization's future course of integration. In response, the organization pursued a deepening of the institutional structure marked by the establishment of a Court of Justice and the Andean Parliament in 1979. The newly created institution

lacked real weight, however, and simultaneously, unresolved territorial disputes between member states started to flare up (Malamud, “Comparative Theories” 6). In 1977, an armed conflict between Peru and Ecuador even took place, further complicating cooperation (Domínguez 9).

Furthermore, the oil-crisis of the 1980s had different effects on each member and resulted in further ideological deviation especially when it came to macroeconomic policies (O’Keefe 9). In 1987, the organization renewed its institutional structure again in an attempt to revitalize the initiative and the member states signed the Quito Protocol (Malamud, “Comparative Theories” 5). The Quito Protocol abolished the deadlines for establishing a customs union and revoked Decision 24, instead placing focus on achieving bilateral FTAs among its members (O’Keefe 10). Despite these reforms, social unrest and political instability persisted and even a brief war between Ecuador and Peru in 1995 could not be prevented by the organization (Malamud, “Comparative Theories” 6). With Venezuela leaving the Andean Group in 2006 and the creation of the Pacific Alliance, of which Chile, Colombia and Peru became members, some have argued that the Andean Pact, or Andean Community by its updated name, has come to be obsolete (Lima 344).

Whereas Chile may have been considered to be a dominant player within the Andean Pact, after its resignation in 1976 none of the other member states proved able to fill this gap. It may be argued that this absence of a regional leader has contributed to the organization’s difficulties when it comes to policy coordination. An example is the inability to reach an agreement on the height of the common external tariff among the member states. Peru, Colombia, Ecuador and Venezuela all favoured different rates and none of the countries was willing to compromise. The result being that the deadline for the establishment of a customs union was postponed until the end of 1989 (Mattli 149). Furthermore, increasing internal divisions and the absence of adequate dispute settlement mechanisms and peace-building initiatives increased the organization’s fragility (Domínguez 114). This fragility was evidenced by the two conflicts between Ecuador and Peru which the organization failed to prevent. Therefore, the organization could have profited from regional leadership to enhance policy coordination among its members and overcome internal divisions (Mattli 150).

The Andean Pact, thus, forms another example of a top-down regional integration project. National presidents kick-started and provided leadership to the organization during its first years. Thereafter, presidents mostly retreated from the organization and appeared to fall into the same structural pitfall as LAFTA previously, by delegating most authority to middle-level bureaucrats who lacked authority and legitimacy (Mattli 148). Moreover, capacity, in terms of staff for example, did not match the new responsibilities and tasks these bodies were burdened with (Sidjanski 97). The initial progress was slowed down by this retreat. Only years later a presidential council was installed. By that time, however, a paradigmatic shift had already taken place and neoliberalism had become a prominent feature of regional politics. The initial convergence had taken place around disappointment with LAFTA's achievements and left-leaning presidents simultaneously being in office. These presidents demonstrated greater interest in distributing the benefits of regional integration more equally than LAFTA had done before. However, when this convergence started to diminish, the Andean Pact began to experience more internal frictions. Chile left the organization due to the ideological divergence and new regional integration projects were initiated which matched the paradigmatic shift in favour of neoliberalism and the Andean Pact began to lose in significance. Finally, in light of increased internal division and the absence of adequate dispute settlement mechanisms, a hegemonic power may have been able to formulate an answer to some of the challenges. However, no member state was willing or able to assume such a role. In two instances, the internal divisions even resulted in explicit conflict between Ecuador and Peru.

Conclusion

As the examples of LAFTA and the Andean Pact reveal, regionalism in Latin America generally constitutes a top-down process. This process is often initiated at the inter-presidential level where some major influence on the organization's institutional design is exercised as well. The creation of new regional organizations generally corresponds with periods of ideological convergence around a given paradigm, in the example of LAFTA this was ISI. However, when a paradigmatic shift starts to

take form, the existing organizations often struggle to survive as new organizations are being created to match the new paradigmatic reality. History also reveals that Latin American countries have been hesitant to assume a hegemonic role in the region. Although some countries may initiate an integration project, this does not necessarily translate into a dominant role within the organization once established. A disadvantage of this tendency consists of the fact that diverging visions often come into existence after a while. These differences are not being harmonized by a hegemonic vision on regional integration accompanied by matching policies.

The present chapter provided only a modest insight in Latin America's long history of regionalist projects. As stated before, initiatives have usually followed a paradigmatic shift taking place among the region's nations. What has been consistent, however, is that no such shift has resulted in a rejection of regional integration efforts, support for regional integration has proven a constant (Puntigliano and Ruíz 10). As will be illustrated in the following chapter, the trends in regionalism present in past regionalist projects, as outlined above, prove to still have lasting influence on more recent regional organizations in Latin America. Contemporary organizations like Mercosur and the Pacific Alliance are confronted in their daily operations with the legacies these trends have produced.

Chapter 3

The Pacific Alliance and Mercosur: Contrasting Objectives, Similar Challenges

Introduction

Regionalism in Latin America is a heterogenous process, evidenced by the numerous integrative initiatives present simultaneously (Lima 340). Two of the main blocs currently present in Latin America are the Pacific Alliance and Mercosur. These contrasting organizations together cover most of Latin America's economies making them interesting units of analysis. Both organizations place trade and economic interests at the centre of regional integration although envision different objectives (339). Whereas Mercosur ultimately aims at establishing a common market, the Pacific Alliance pursues a somewhat hybrid form of integration by incorporating some characteristics of a common market while rejecting others. The present chapter will assess how the three factors, identified in the first chapter, influence the attainment of these different objectives as articulated by both organizations. By taking presidential diplomacy, ideological convergence and the absence of a regional hegemon, as variables, it will be argued that these factors have the potential of, or already have had, a negative influence on the organizations' stability and the achievement of their long-term objectives. This chapter progresses by separately focussing on the Pacific Alliance and Mercosur and subsequently assessing how each of the variables influences the organization in achieving its long-term objectives.

3.1 The Pacific Alliance: A New Approach to Regionalism with Familiar Challenges

The Pacific Alliance is a regional organization with a primary focus on trade integration. The Alliance was formed in part to improve the member states' position on the negotiating table with Asia and to eventually establish the *Mercado Integrado Latinoamericano* (MILA), which involves the creation of a common stock market, through increased economic integration (Spillan 1). This regional integration is to be achieved by gradually introducing the free movement of people, goods, services and capital (Daniels 159). In this fashion, the organization aims at achieving 100 percent free trade among its

members by 2030 (*the Global Americans*). Contrary to Mercosur, the Pacific Alliance does not aim at developing a customs union or a common market. The Alliance strives to maximize benefits by introducing some elements of a common market (free movement of people, goods, services and capital) whilst avoiding limitations of a customs union (common external tariffs). Member states are, therefore, encouraged to individually establish FTA's with third countries (160). Finally, the improvement of regional competitiveness and social welfare are also among the organization's objectives (Spillan 3). Together, the four member states, Chile, Mexico, Colombia and Peru, form the eighth economy of the world (Alianza del Pacífico).

3.1.1 Presidential Diplomacy: Rapid Results but an Uncertain Future

At the top of the Pacific Alliance's institutional structure, one finds the member states' presidents. These four presidents have the power to ultimately make decisions for the organization. One step below in the hierarchy one finds the Council of Ministers. This body possesses the authority to make decisions, but only if they correspond to what has been anteriorly agreed upon by the presidents in the Framework Agreement (Daniels 169). The Council of Ministers is made up from each country's Minister of Foreign Affairs and Trade and meets twice a year. During their last meeting in May 2019, the Council approved the entry of two new observer states to the organization (Kazakhstan and Azerbaijan) and created a new technical group (Alianza del Pacífico). The technical groups, of which there are 24 in total, can provide advice on the group's area of expertise, environment, education and innovation form a few examples.

The importance of presidential diplomacy can be most clearly observed in the organization's high dependence on "summit diplomacy". Presidential summits are organized on a yearly basis in the country that holds the *pro-tempore* presidency for that year. It is during these yearly summits that most important decisions are being made and the organization's policy agenda is agreed upon. In this respect, the Pacific Alliance fits in the regional trend of interpresidentialism. This trend is being

maintained by a regional context in which countries are domestically characterized by a presidential democracy, which is the case for the Pacific Alliance's four members. This mode of organization, in the case of Latin America, leaves substantial room for presidential autonomy. The fact that the Pacific Alliance's member states are all presidential democracies of this type increases the likelihood that presidents will retain greater powers within a regional organization as well (Malamud, "Latin American Regionalism" 649). This reliance on summit diplomacy may illustrate the existing reluctance on the part of the executives to relinquish power to supranational bodies. In the case of the Pacific Alliance, a supranational body which can autonomously, or together with other entities, reach decisions with a binding character for all member states has not (yet) been established. It remains unclear whether the Pacific Alliance has plans to establish such bodies in the future since the organization has never explicitly expressed this intention (Daniels 169). As of now, the Pacific Alliance's decisions are ultimately taken by the four presidents with a modest role for the Council of Ministers and the various technical groups.

The reliance on presidential diplomacy may actually prove beneficial to the alliance in the short run. For the Pacific Alliance's relative short life, spanning 8 years only, it has already been able to make major progress on some of its objectives. Its members have cut 92 percent of tariffs on their imports and exports and the remaining 8 percent are due to be phased out by 2021. In the area of free movement of people, visa requirements up to six months have been lifted and negotiations on the creation of a common passport are underway. In the area of economic integration, the Latin American Integrated Market (MILA) has made its launch (Erikson). This rapid progress on regional integration can be partly attributed to the Pacific Alliance's interpresidentialist character. The organization came into being in a context where the four presidents of its member states demonstrated a large degree of like-mindedness, especially in their belief in open economies and economic integration as a tool for increased economic and social development (Aranda 570). In such a context, presidential diplomacy can give rise to significant progress in a relatively limited amount of time since reaching decisions on the organization's policies are less likely to result in major conflicts between the presidents in power

(Cavalheiro 177). Consequently, decision-making processes may run more swiftly and especially speedier that in a situation of institutionalized diplomacy where proposals must pass different supranational entities before receiving approval.

However, an immanent result of presidential diplomacy on the regional level is a relatively low-level of institutionalization. This can be observed in the case of the Pacific Alliance, which is characterized by an absence of supranational bodies. Although this void may in part be attributed to the Pacific Alliance's short existence, this nonetheless may prove to be a weakness in its future (Daniels 170). Uncertainty arises when member states change presidents. Particularly a future president whose conceptions on regional integration deviate from those of its predecessor may be inclined to attempt to change the course of the organization away from its currently pragmatic approach (171). Moreover, the future election of presidents with views on regional integration differing or incompatible with the organization's current direction have the potential of jeopardizing the organization's long-term objectives. Regional organizations with higher degrees of institutionalized diplomacy generally can better secure the stability of the policy agenda since these institutions function independently from the executives (Petersen and Shulz 107). In achieving long-term objectives such as those formulated by the Pacific Alliance, it thus appears to be a sensible step to create supranational entities with higher degrees of autonomy than the Council of Ministers currently possesses.

Although the Pacific Alliance so far has succeeded in maintaining its current success and progress towards the achievement of its goals in the face of presidential changes, this success may eventually run out when a president with radically different views on regional integration comes to power in one of its member states. An organization based around presidential diplomacy does not offer a solid defence in the occurrence of such a scenario. The establishment of supranational decision-making bodies and the creation of an environment in which institutionalized diplomacy dominates may prove to be less susceptible to presidential change and secure stable policies aimed at achieving the organization's longer-term goals such as 100 percent free trade among its members by 2030 (Petersen and Shulz 108).

3.1.2 Regionalism without Ideology?

Foreign policies often navigate a continuum between pragmatism and ideology (Gardini and Lambert 3). However, politicians involved in the establishment of the Pacific Alliance have regularly maintained that this constitutes an organization characterized by pragmatism and an absence of ideology. For example, former Peruvian minister of Foreign Affairs, Eda Rivas, stated that the Pacific Alliance's members have "a common non-ideological vision on development" and that the bloc "is not an ideological bloc to oppose other blocs" (*Todo el Campo*). Former Chilean minister of Foreign Affairs Moreno has added that the Pacific Alliance is "an alliance which does not have any political content" (Rojas 13). The Pacific Alliance's politicians thus seem eager to emphasize the absence of ideology in their organization. An explanation for this rhetoric can be found in the fact that the alliance came into existence during a period in which more overtly (left-wing) ideologically motivated leaders came to power, during what has been dubbed the Pink-Tide. A regional organization which forms a product of this period is ALBA. The presidents of Bolivia and Ecuador, two ALBA countries, reacted to the creation of the Pacific Alliance by stating that "the organization forms part of a conspiracy of the North aimed at creating division within UNASUR" and that it "perceives of integration not to create an enlarged society of citizens" but rather "to create a large market and create consumers" (*Todo el Campo*). The creation of the Pacific Alliance should be placed in the context of this period which makes clear that one function of this new organization may have been to provide a counterweight to the development model proposed by ALBA, and to a lesser extent Mercosur, which it aimed at achieving by emphasizing its pragmatic character (Rojas 13).

However, a major challenge in pursuing a pragmatic stance to regionalism is that history has demonstrated that often ideological elements do enter an organization (Gardini 18). Contrary to what the Pacific Alliance's member states intend to convey, ideology and pragmatism do not constitute a zero-sum game but rather a continuum. It is hard to find an example of a purely pragmatic initiative, almost always some degree of ideology will persist (16). There does, however, exist a balance between

the two elements. In some organizations ideology may dominate over pragmatism and in others the opposite may be true. Costa Rica's former president Chinchilla, who aspired to become a member of the Pacific Alliance, described the organization's character more accurately by stating that the organization "is being constructed with pragmatism in which ideology occupies a secondary role" rather than denying the existence of an ideological component all together (*Todo el Campo*). One thus may assert that the Pacific Alliance constitutes an example of an organization where pragmatism prevails over ideology, especially when compared to an organization like ALBA, but to say it is an organization without ideology is false.

In fact, ideological convergence may be considered to have contributed to the Pacific Alliance's rapid progress. During the time of the Pacific Alliance's creation a convergence around right-wing ideological stances can be observed among its member states. Therefore, the ideological component should not be overlooked when assessing this initiative. In 2011, the year the Pacific Alliance came into existence, president Calderón of Mexico asserted that its members all believed in "economic freedom as a natural expression of human dignity" and president Santos of Colombia added that the countries all share the conviction that "respect for private property and the rule of law lead to freedom and democracy" (Orjuela and Chenou 47). These beliefs came into expression in the Framework Agreement which explicitly emphasizes a belief in open regionalism implying an ideological stance based around an affinity with free market values present among the founding presidents (48). The ideological compatibility among the first Pacific Alliance presidents facilitated quick institutional achievements in line with open regionalism, such as the elimination of 92 percent of tariffs and the approval of all FTA's among the member states. Thus, concepts such as free market values and open regionalism reveal an ideology dominant within the Pacific Alliance, despite assertions by its politicians that the organization is purely pragmatic in nature.

In contrast to what has been stated by many involved in the Pacific Alliance's establishment, ideological convergence among the organization's member states facilitated rapid progress on some of the organization's goals such as lowering the barriers to trade (Orjuela and Chenou 46). However,

to ensure the continuance of this progress, the organization may prove to be reliant on future ideological convergence. A combination of a reliance on ideological convergence and presidential diplomacy may pose future obstacles to the Pacific Alliance's stability. In a future scenario in which presidential ideologies do not neatly align anymore, there does not exist any safeguard to ensure the protection of the organization's progress so far. In a worst-case scenario these achievements may all be reversed.

3.1.3 The Absence of Regional Hegemon: Unable or Unwilling?

Despite existing differences in GDP among the member states of the Pacific Alliance, the organization does not have a clear observable regional leader (Rojas 6). The initiative for the establishment of the Pacific Alliance came from Peruvian authorities. This first initiative did, however, not result in a dominant Peruvian role within the organization once established. Mexico, the second largest economy in Latin America, has traditionally maintained a more inward-oriented approach to foreign policy. The *Estrada Doctrine*, which has dominated Mexico's foreign policy since 1930, places prominence on the principles of non-intervention, self-determination and sovereignty. This doctrine partly provides an explanation for Mexico's restraint when it comes to regional organizations which to a larger or lesser extent imply the transfer of sovereignty to a supranational level. Assuming the role of a regional hegemon, thus, does not rhyme with Mexico's approach to foreign policy (Puntigliano and Ruíz 215). At this time, Chile can be considered to take a protagonist role in shaping the Pacific Alliance's strategy (Aranda 558). However, this country neither seeks to evolve into a regional hegemon. Like Mexico, Chile had traditionally refrained from participating in any open regionalist projects (567). For both Mexico and Chile, the Pacific Alliance's focus on trade relations with Asia, a significant factor in both these countries' economies, seems to have persuaded them to take part in this organization (568). Improved trading opportunities, thus, primarily motivated Chile and Mexico in joining the alliance instead of hegemonic aspirations. In the case of Colombia, prolonged internal conflicts have tempered

such hegemonic aspirations (570). Therefore, this country neither has sought to dominate the Pacific Alliance, leaving the organization without a clear hegemon.

The absence of a regional hegemon, in the case of the Pacific Alliance, can thus be attributed to the absence of hegemonic aspirations among its members rather than an inability to assume such a position. Therefore, the Pacific Alliance may be categorized as an instance of post-hegemonic regionalism, in the sense that it represents a manifestation of regionalism without a pronounced regional hegemon among its members and an absence of sustained influence of the United States in determining its strategy (Petersen and Schulz 103). The United States is an observer state in the Pacific Alliance but is just one in over fifty of these states and does not exercise a different role from the other observer states. Under the current Trump administration in particular, Washington has focused on domestic issues and international crises outside of the Latin American region (Long 115).

Overall, the absence of a hegemonic force within the Pacific Alliance seems to work to the organization's benefit so far. The member states themselves, have cited the organization's relative power balance as providing the basis for equal cooperation (Daniels 162). A complaint often voiced by Uruguay and Paraguay, in the context of the Mercosur, is that their interests often come secondary to those of the larger, more dominant countries such as Brazil and Argentina. In the case of the Pacific Alliance, the four member states have more comparable GDP-levels and no single nation aspires to dominate the organization (Daniels 168). This reality may prevent a situation similar to that of Mercosur where the interests of one or two dominant states tend to take centre stage, provoking friction with the smaller countries (Burges 201). In fact, soon after the creation of the Pacific Alliance, Paraguay and Uruguay appeared eager to enter the more symmetrical alliance. However, both their geographic location, only countries bordering the Pacific may enter, and Mercosur's clause on trade agreements with third parties prevented these countries from applying for membership (Burges 205). Uruguay and Paraguay did become observer states to the Pacific Alliance.

On the other hand, in the absence of a consolidated supranational institutional structure, a hegemonic force within the Pacific Alliance may provide stability to the organization. Especially when

presidential change may give rise to increased ideological differences, a regional hegemon leading the integration process may help to assure its continued existence (171). The post-hegemonic regionalist projects, like the Pacific Alliance, are short of institutionalized commitments which increases their vulnerability with respect to governmental change and may threaten to undo the prior achievements (Long 116). The presence of a regional hegemon may foster sustainable integration when a power succeeds in framing its vision on how the project ought to be shaped as being in the common interest (Burges 195). When the hegemon enjoys a high degree of legitimacy, this system provides a strategy where a regional order can be maintained without the use of any force (197).

In short, the relative power symmetry within the Pacific Alliance has so far come to the benefit of the organization. This by ensuring that each member feels their interests weigh equally and that they have an equal say in the decision-making process which smoothens cooperation within the bloc. However, when supranational institutionalization maintains absent in its future, the alliance may benefit from a member state assuming a leadership role to assure the survival of the organization by reducing the risk of friction when ideologically more diverse leaders come to power in its member states.

3.2 Mercosur: Weak Institutionalization and a Shifting Agenda

Mercosur has been established with the aim of ultimately creating a common market. As the organization describes itself, its main objective is: “to promote a common space that generates business and investment opportunities through the competitive integration of national economies into the international market” (Mercosur). By 1995, Mercosur transitioned from a free-trade zone into a customs union but still is to achieve its long-term objective of becoming a common market (Malamud, “Presidential Diplomacy” 139). With a purely commercial agenda as a point of departure, Mercosur has since started to expand its agenda with the creation of the Fund for Structural Convergence (FOCEM) and the Parliament of Mercosur (Parlasur) as a result (Lima 344). Mercosur differs from the

Pacific Alliance in that its members are prohibited to individually negotiate trade agreements with third parties whereas the Pacific Alliance encourages its members to do so (346).

3.2.1 Presidential Diplomacy and the Case of Parlasur

Mercosur is characterized by a low level of institutionalization. The organization's principal operative mechanism is based on presidential initiatives. The national parliaments did ratify the Treaty of Asunción but have otherwise been mostly circumvented. Mercosur's policy implementation is largely dependent on interpresidentialism rather than on supranational bodies. In this institutional absence, the member states' presidents both assume the role of decisionmakers and dispute settlers. Mercosur does have two functioning permanent institutions: The Administrative Secretariat, tasked with supplying documents and information on new agreements to governments, and the Permanent Commission, responsible for outreach towards members of parliament and civil society actors (Domínguez 109). Attempts have been made to create additional supranational entities. In 2003, the Committee of Permanent Representatives (COREPER) was established. However, this institution has yet to function effectively since it was not granted any binding authority nor legislative powers (Daniels 168). Additionally, in 2006 a supranational parliament, Parlasur, was inaugurated on which more below. Given Mercosur's weak institutionalization, presidents often resort to direct negotiations, usually in the form of presidential summits, every time important decisions have to be made or disputes have to be resolved (Malamud, "Presidential Diplomacy" 139). The Common Market Council (CMC) constitutes Mercosur's highest authority but is secondary to the presidential level, it is made up of each country's ministers of foreign affairs and economy (141).

The functioning of Mercosur, thus, has fundamentally relied on the existence of presidential diplomacy (139). In 2006, an attempt was made to shift this balance more in favour of supranational bodies by the creation of the Mercosur parliament named Parlasur. The functions of Parlasur, as established in it Constitutive Protocol, include "strengthening the cooperation between national parliaments; streamlining the incorporation of MERCOSUR norms into national law; facilitating the

participation of civil society in communitarian issues; and increasing the democratic content of the MERCOSUR project" (Mariano *et al.* 7). Parlasur assembles once a month and its agenda include issues introduced by the Common Market Group and members of parliament (8). The creation of a parliament was perceived as providing an answer to the organization's lack of transparency and democratic deficit (Malamud and Dri 229). However, Parlasur's powers have remained very limited, lacking actual legislative and control authority nor does its decisions have any binding consequences (230). As of now, Parlasur primarily performs a consultative role by producing, amongst others, opinions, reports and declarations (231). This modest role is in part the result of sustained resistance by national governments which emphasize the threats of transferring increased levels of sovereignty to the supranational level since this would, according to them, eventually transform them into independent actors able to create and defend their own positions within the organization (Mariano *et al*. 9). Following Paraguay's temporary suspension as a result of president Lugo's impeachment, Parlasur was paralyzed for a period of almost three years (2011-2013). As established in Parlasur's rules, the absence of a national delegation adjourns its plenary sessions. During this three-year suspension of Parlasur sessions, Mercosur was able to function as usual without any significant difficulties (8). This fact illustrates Parlasur's rather superficial nature since its absence did not translate into any substantial consequences for Mercosur's functioning (13).

This absence of functioning supranational bodies complicates the achievement of a common market. One of the most important threats to a regional organization characterized by a high degree of presidential diplomacy is the fact that its progress may be paralyzed once presidents can no longer reach agreements. The establishment of autonomous supranational bodies and effective resolution systems may provide the answer to this threat. In their absence, the organization's progress will maintain dependent on the continued consensus of all member states' presidents (Daniels 168). A result of Mercosur's system, which is skewed towards direct presidential involvement, is that the organization has failed to reach many of its objectives (Domínguez 110). The main objective of implementing a common market has not been achieved up until this moment and this even appears

increasingly less plausible since the focus seems to shift towards the creation of institutions unable to achieve meaningful results (Malamud and Dri 224). Despite the establishment of supranational institutions like Parlasur, national presidents have proved to be reluctant to relinquish some of their extensive powers to these institutions (Malamud, "Presidential Diplomacy" 159). The result is an increase in consultative bodies across issue areas albeit without upgrading the authority of these institutions (Malamud and Dri 235). Parlasur forms a clear example of the reluctance of Mercosur's presidents to transfer sovereignty and delegate power to supranational bodies. The outcome of this reluctance is an institution lacking real competences which inhibits it from exercising influence on Mercosur's system (234). This characteristic is not unique to Mercosur, however, in Latin America as a whole, regional parliaments have not been able to produce significant changes in regional decision-making mechanisms. These processes mostly remain the realm of interpresidentialism (Mariano *et al*. 1).

3.2.2 Ideological Reconfigurations

Being a product of the third wave of regionalism, upon its establishment Mercosur defined its objectives mirroring the dominant trend of integration, open regionalism. This first phase in the organization's existence was characterized by an ideological orientation towards neoliberalism and the corresponding "Washington Consensus". This doctrine advocated economic orthodoxy, trade liberalization, privatization and a modest role for the state. For Mercosur, this liberal approach to trade was translated to the regional level, giving rise to a type of internal neoliberalism. Policies were primarily focused on trade liberalization and included the automatic reduction of internal tariffs (Puntigliano 41). During this period there was no place for coordination of common policies as Mercosur's objectives were mostly commercial in nature (249). Over time, however, "Mercosur began to extend its agenda beyond the purely commercial one of the 1990s" (Lima 344). The 1999 Brazilian devaluation, the 2001 Argentine collapse and Mercosur's inability to address the existing asymmetries between its members combined with newly elected left-wing leaders, resulted in this politicization

(Gardini 237). Therefore, in the 2000s the Fund for Structural Convergence (FOCEM) was created, partly to address the raising dissatisfaction of Paraguay and Uruguay (Lima 344). More recently, yet a new ideological configuration has taken place in Mercosur. From 2015 onwards, the organization seems to have rediscovered its original liberal agenda. New in this recent reconfiguration are attempts to establish closer ties with external actors such as the European Union (Daniels 153). This in contrast with Mercosur's traditionally inward-looking tendencies, being regularly described as a "commercial fortress" (Lima 346).

Mercosur has thus undergone several ideological reconfigurations, each corresponding to the ideological background of the majority of presidents. Instances of ideological convergence among the member state's presidents has generally resulted in institutional progress whereas moments in which the ideological preferences drifted further apart often resulted in crisis situations (Orjuela and Chenou 46). The first period in the organization's history was characterized by presidents adhering to neoliberalism, especially Argentina and Brazil, and was accompanied by a steady decrease in tariffs and the establishment of a free trade area and subsequently a customs union. During the first ten years of its existence, intra-regional trade had tripled (Malamud, "Comparative Theories" 4). After Brazil and Argentina had entered recovery after profound domestic crises, a new period of ideological convergence began to take form. With left-wing presidents coming to power in all four member states by 2005, a more social agenda began to take precedence over the economic one. All four presidents agreed that Mercosur was now entering a new period in its history, one that could be categorized as post-hegemonic regionalism (Orjuela and Chenou 50). Institutional progress was achieved by the creation of FOCEM and Parlasur, amongst others. Another major event in this phase of Mercosur's development came int the form of the admittance of Venezuela to Mercosur in 2006. The left-wing presidents had created a renewed an ideological environment to which other Pink-Tide presidents such as Chávez felt attracted.

However, the opposite trend can be observed as well. In periods where ideological similarity among Mercosur's national presidents decreased, institutional stagnation or even crises were induced.

The crisis of 2016, which resulted in the suspension of Venezuela, forms one example of this connection between ideological reconfiguration and institutional instability (54). With the 2015 election of Mauricio Macri in Argentina, the president of one of Mercosur's major powers shifted to the right. Subsequently, in May of the same year, the impeachment of Dilma Rousseff brought to power another right-wing president in Brazil, Michel Temer. The entrance of Temer made an internal division undeniable and even tipped the balance in favour of the right, with three out of five presidents now roughly ascribing to the same ideology. In Paraguay, Cartes was the first right-wing Mercosur president to take office in 2013. On the left side of the ideological spectrum, Vázquez of Uruguay and Maduro of Venezuela were to be found. This ideological division resulted increasingly in friction between the right-wing presidents and Venezuela. This country increasingly received attacks by the other members, with the exception of left-wing Uruguay, which were motivated by the fact that Venezuela was the only country which had not ratified all commitments part of the Asunción Agreement. Confrontations between Venezuela and the other members increased, and the rhetoric deployed grew increasingly hostile (55). By 2016, president Vásquez publicly stated that Mercosur was experiencing an "extremely worrying crisis" (54). In September of that year Venezuela was removed from the *pro tempore* presidency and on December 2nd Mercosur officially suspended Venezuela, Uruguay abstained from voting on these decisions (56). Upon suspension, president Maduro argued the decision demonstrated Mercosur's "ideological intolerance". This example thus demonstrates how increased ideological division among Mercosur's presidents resulted in institutional instability (57).

Despite the several ideological reconfigurations, Mercosur has been able to remain a functioning regional organization. Nonetheless, what can be noted is the fact that ideological convergence among the presidents generally facilitates institutional progress whereas increasing ideological division within the organization may result in institutional stagnation or even crisis. The ideological dimension combined with the persistence of interpresidentialism have given rise to alterations in the organization's agenda corresponding to the ideological preferences of the majority of presidents. Consequently, what started as an open regionalist project has shifted to a post-

hegemonic project and has recently taken measures to reformulate its objectives closer to the initial ones again. What has facilitated Mercosur's survival despite these ideological shifts is the fact that these alterations often took place in all member states around the same time. Ideological shifts thus usually took place simultaneously which made the intra-organizational alteration less problematic. However, these shifts have negatively impacted the organization's long-term policy continuity which has contributed to the fact that Mercosur has not yet been able to evolve into a common market.

3.2.3 Brazil's Pursuit of Regional Hegemony

The establishment of Mercosur formed part of the diplomatic rapprochement between Brazil and Argentina which took off from the late 1970s onwards. After democracy had been re-established in both countries in the 1980s this rapprochement was further boosted. This process, combined with the rise of neoliberalism, culminated in Mercosur in 1992 (Gardini 236). Whereas initially the Argentine-Brazilian integration had been mostly initiated by Argentina, this dynamic began to reverse soon afterwards. Brazil's economic prosperity and it ascendance to the status of an international power caused the roles within Mercosur to be redefined. Brazil increasingly became to perceive of Mercosur as a platform to promote its global aspirations (238). Brazil has long had the aspiration of becoming internationally recognized as a "big power". These ambitions were boosted when the country was included in the BRICS-category, together with Russia, India and China (and later South Africa), in the 2001 Goldman Sachs report (Malamud, "A Leader" 4). However, lacking the hard power capabilities of the other BRICS, Brazil aimed at assuming a prominent role at the regional and global stage by using "soft power" (5). In order to achieve this consensual hegemony, Brazil regarded Mercosur as a convenient tool since regional leadership within this regional organization was considered a springboard for increased global presence and acknowledgement (8). Since Brazil considered itself less powerful than other global powers, it believed it of fundamental importance to raise regional support to legitimize its global aspirations (6). Through Mercosur, Brazil defined South America as a distinct region inside Latin America. By doing so, Brazil implicitly recognized its inability to exert influence over

the entire continent by excluding Mexico, a potential rival for power, and assembling countries less dependent on the United States (3). Although Brazil's consensual hegemony strategy relied primarily on ideational power, it did offer some economic benefits to fellow Mercosur members. By entering Mercosur, access to the Brazilian market was offered which resulted an immediate rise in the export values of Argentina, Paraguay and Uruguay (Burges 197).

However, Brazil's leadership eventually did not live up to South America's expectations. Several factors may be considered to have negatively affected Brazil's hegemonic leadership position within South America and Mercosur in particular. A first consists of domestic factors, Brazil's bid to regional hegemony underwent its first cracks when in 1999 the country experienced a pronounced financial crisis. This domestic crisis forced Brazil to shift its focus away from the regional and global level. Secondly, a further obstacle to becoming a stable hegemonic force within Mercosur is Brazil's apparent unwillingness to create strong supranational institutions which potentially could restrain its power. This reluctance to share power with member states is evidenced by Mercosur's low level of institutionalization (201). The paradox Brazil created with this behaviour, aspiring to become the leading force within Mercosur while refraining from making any sacrifices, resulted in regional dissatisfaction with Brazil's leadership (202). The country's rhetoric of regional solidarity did not translate into an actual robust regional organization to match (196).

When executed more effectively, Brazil had the opportunity to become a true regional hegemon. The country seemed to possess all necessary conditions to achieve this role but, in the end, did not prove willing to make sacrifices in the form of receding sovereignty to the supranational level within Mercosur. This unwillingness, in turn, contributed to the ineffectiveness of institutions like Parlasur, lacking real influence in the decision-making process. By taking a more pro-active stance in Mercosur, Brazil had the potential to provide the organization with stability. A stable hegemonic force within Mercosur may have done so by providing stability to both the leading and the supporting states since it has the potential to form a collective like-minded bloc in confronting external challenges and, at the same time, preventing the hegemonic force to act unilaterally (Burges 200).

Contrastingly, Mercosur's lack of unanimity was demonstrated on several occasions. Most notably, Brazil's inability to achieve effective regional leadership was evidenced by regional opposition, from Argentina amongst others, to Brazil's bid to obtain a permanent seat on the United Nations Security Council in 2004 (Malamud, "A Leader" 9). Later, Mercosur's internal division was demonstrated again when its members could not agree on a common candidate for the post of director-general of the WTO, resulting in both the candidacy of a Uruguayan and Brazilian contender (10). The absence of clear leadership within Mercosur thus leaves the organization without a well-defined shared project, compromising its effectiveness as a common bloc on the global stage. This reality does, however, preserve some space for dialogue between the large powers and the smaller ones within Mercosur (Gardini 238). Moreover, the unwillingness to share power on a regional level has resulted in low levels of institutionalization within Mercosur and limited powers for the existing supranational bodies such as Parlasur.

Conclusion

The dominance of presidential diplomacy in both the Pacific Alliance and Mercosur form an explanation for how change in these organizations comes about. This dynamic contrasts with the "spillovers", deployed by neofunctionalist approaches, in which institutional expansion takes place from one issue area to another facilitated by supranational bodies which deploy specialized technocrats (Domínguez 112). The low levels of institutionalization resulting from presidential diplomacy may prove an obstacle to the organizations' future especially when also considering the role of presidential ideology. Following from the analysis above, instances of ideological convergence among the organizations' presidents facilitate institutional progress. Contrastingly, periods of ideological divergence may result in institutional stagnation or even crisis. The volatility provoked by this ideological dimension may be constrained by the creation of more autonomous supranational bodies. Such institutions may form a buffer to presidential alterations and provide policy continuity

which is favourable for achieving the long-term objectives both the Pacific Alliance and Mercosur have set out.

An alternative strategy for providing stability in the absence of institutionalization is effective leadership of the organization by one of its member states. A hegemonic power may harmonize the organization's agenda and promote a unified stance on the international stage. However, in both organizations no nations have proved to be willing to assume such a role. The largest obstacle, as evidenced by the case of Brazil, appears to be receding sovereignty to the regional level.

All three factors thus influence the (future) regional integration of both the Pacific Alliance and Mercosur in varying degrees. Although the Pacific Alliance may still experience short-term gains related to these factors, Mercosur's experience demonstrates the instability these variables may provoke over a larger time span.

Conclusion

Regionalism in Latin America has traditionally been a top-down process initiated at the inter-presidential level. In the Pacific Alliance and Mercosur this influential role of the national executives persists after the establishment of the organizations as well. In the case of these organizations, the pronounced role of the national presidents is even anchored in the institutional frameworks in which they constitute the ultimate decision-makers. In this context of presidential diplomacy, characterized by frequent presidential summits where most important decisions are made, organizational stability and the attainment of long-term objectives may come under threat. The relatively low levels of institutionalization which accompany interpresidentialism form an obstacle to long-term policy stability, a prerequisite of attaining long-term objectives. In light of presidential changes, the organization's policy may change significantly in order to reflect renewed presidential preferences. In the case of the Pacific Alliance, its interpresidentialist nature may prove to complicate the achievement of 100 percent free trade by 2030. In the case of Mercosur, this threat has already become reality. In this organization, presidential change has resulted in several reconfigurations of the policy agenda, a factor which has contributed to the fact that its main goal of establishing a common market has not been realized until this day.

A factor going hand in hand with presidential diplomacy is that of ideological convergence among the regional presidents. The creation of regional organizations is facilitated by moments of ideological convergence among Latin American presidents. These instances of ideological compatibility promote institutional progress within regional organizations. However, when ideological stances begin to diverge, the organizations are often not adequately equipped to deal with the developing internal divisions, in part because a context of interpresidentialism has left the institutional structure underdeveloped. These divisions may lead to instances of crisis within regional organizations. An example of such a crisis produced by growing ideological divergence can be found in the case of the indefinite suspension of Venezuela from Mercosur. A reliance on ideological

convergence for regional integration combined with practices of presidential diplomacy contribute to the volatile nature of regionalism in Latin America. These factors inhibit stable policy coordination which in turn forms an obstacle to the attainment of long-term objectives.

Furthermore, regionalism in Latin America constitutes a heterogenous process, evidenced by the fact that no single hegemonic state is leading or administering integration in the continent. At present no single state is attempting to persuade other Latin American states to adhere to its envisioned integration strategy. This reality is at variance with Brazil's aspirations during the beginning of the 21st century. During this period, Brazil was in pursuit of becoming a regional hegemon leading regional integration in South America without interference of other major powers, most notably the United States (Lima 353). However, Brazil failed to assume this regional leadership position. Since this attempt, no single Latin American nations has demonstrated the "desire, power, and followers" to convert into a regional hegemon and establish a dominant vision on regionalism. The result being that Latin America is characterized by "decentred regionalism" (354). In the absence of a consolidated supranational structure, like is the case in the Pacific Alliance, a hegemonic state may provide an organization with stability. Especially, in the face of presidential change, which may give rise to increased ideological differences, a regional hegemon assuming leadership over the integration process may aide to assure the organization's continued existence (Burges 171).

Although the factors emphasized in this work are not exclusive to the Latin American context, they appear to play a more pronounced role in this continent than in some other processes of regional integration in other parts of the globe. In the case of the Pacific Alliance and Mercosur, the combination of these variables has the potential of, or already has had, a negative influence on the organizations' stability and the achievement of their long-term objectives. However, despite its volatile and fragmented nature, an unconditional belief in the merits of regionalism has demonstrated continuity in Latin America. Regional integration has managed to persist and survive several shifts in the Latin American political context. This reality provides all the reason to believe that regionalism will remain of great importance in the future as well.

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