



Regional Integration Theory and The Dilemma of Latin American Integration

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Abstract

Undoubtedly Latin America is one of the most prominent regions in the world. It was conquered and rapidly colonized by the Spanish and Portuguese empires in the 15th century; European rule ended in the 19th century after the ideas of the American revolution, such as anti-monarchism, freedom, and independence, spread to the center and south of the continent. Contemporary Latin America hosts 20 nation-states that share not only historical but cultural ties. Moreover, there are no linguistic barriers unlike in Europe or Asia, where language differences have made interaction challenging; in other words, communication between policymakers is easier in this region: except for Brazil where Portuguese is spoken, the predominant language in the rest of the countries is Spanish. Latin America has all the potential to integrate socially and economically and therefore, become a powerful international actor; however, this is far from happening. Latin America has long been considered United States' backyard and continues to be an area of dispute within the global influence plans of superpowers such as China, and Russia. This essay will analyze the Latin American integration process. First, through a deep literature review, I will answer What is the regional integration theory in International Relations. Then, in the framework of the analysis of the reasons for the failure of regional integration, this essay will defend that the constant ideological changes that vary between left and right governments have not allowed continuity in integration policies. Additionally, the weakness of regional economic cooperation will be discussed, indicating that the main trading partners of Latin American countries are outside the region. The last and no less important reason that will be considered is excessive nationalism, which has made no Latin American country willing to give up any minimal portion of its sovereignty for the construction of supranational institutions. Finally, this work will put forth certain recommendations that could help to strengthen the development of organizations between these countries.

1. The Theory of Regional Integration

The literary basis of the regional integration theory dates to 1950 with the scientific publication of Viner. In his research Viner [1] emphasizes that the customs union of countries can cause a positive impact for each of the members and influence the affairs of countries outside the union. In addition, he believes that the economic benefits both for each of the member countries and for the union as a whole, will largely depend on the low cost of production and the reduction of tariffs. Subsequently, important historical changes such as the cold war, the concept of regional integration began to respond not only to commercial needs but also to social and political ones with research focused mainly on the process of European integration.

According to Ernst Haas [2] Regional Integration as a process where states merge and mix with their neighbors voluntarily. Haas believes that despite the loss of some part of national sovereignty, states can benefit significantly. For Haas, the progress of regional integration must be analyzed from a realistic conception, in which the progress towards the common market will demand constant coordination between the members; political commitment can contribute to the development of coordination and consequently regional integration [3]. Haas states that these factors supported European regional integration and allowed a process to develop with better results than anywhere else in the world [3]. To this definition it is possible to add that through the integration process, the states create permanent common institutions, capable of making binding decisions for each of the members. Other components such as the flow of trade, the promotion of communication between elites, the facilitation of communications of people across national borders and the invention of symbols that represent a common identity can contribute to the development of integration [4].

2. Attempts at Integration Through Contemporary History in Latin America

The idea of integration in Latin America is not new, in fact in the 19th century in the first years of the post-colonial period, Simon Bolivar promoted projects of American unification that did not progress over time; however, they were the basis of integrationist thought in Latin America. the region. Bolivar, in his famous "Letter to Jamaica" wrote: "It is a grandiose idea to try to form a single nation from the entire new world... Since it has an origin, a language, customs, and a religion, it should therefore have a single government that would confederate the different states that were to be formed" [5]. This idea of a single nation had its apogee with the creation of Gran Colombia in 1819 with Simon Bolivar as president. This ephemeral project had as members to the territories that are currently Ecuador, Colombia, Venezuela, and Panama. The disintegration of Gran Colombia in 1830 was mainly a consequence of conflicts of interest within the confederation and the authoritarianism of Simon Bolivar over the territories.

Later, the Peru-Bolivia confederation was born in 1836 to only last 3 years. Both states decided to unite citing anthropological, geographical, economic, and historical ties [6]. The meeting of Peru and Bolivia was a threat to states not yet consolidated: a union that Argentina and even Brazil resented, but especially Chile. The latter country competed with Peru and Bolivia for control of the Pacific. It would have been impossible to compete with both states if they were united, the potential of their economic resources at the time were already very high [7]. In addition to commercial and economic rivalry, there was fear in Chile that this union would recreate the viceroyalty of Peru, on which Chile had always been dependent. As a consequence, Chile declared war on the Confederation in 1836 and Argentina in 1837.

The 1950s is considered the most productive period in terms of integration; Internally, the countries of the Latin American countries were involved in a historical environment with unique characteristics that, without a doubt, influenced the design of various public policies. From the external point of view, all the nations of Latin America were involved in the process of world reconstruction after World War II [8]. The active participation of the countries of the region in the post-war reconstruction process was evident both

in the treatment of security and international trade issues and in the design of new forms and methods of economic cooperation on a global scale [8]. In this context, the first initiatives to develop regional integration policies appeared, which were enormously inspired and influenced by the integration processes already initiated in Western Europe, such as the European Carbon and Steel Community (ECSC), the European Economic Community and the European Atomic Energy Community (EURATOM) [8].

Within the international system - post World War II, two institutions appear that became important pillars of Latin American integration: The Latin American Free Trade Association (LAFTA) and the Central American Common Market (MCCA) The Latin American Free Trade Association was created through the Montevideo Treaty in 1960, initially made up of Argentina, Chile, Brazil, Mexico, Paraguay, Peru, and Uruguay. Although Colombia, Ecuador, Venezuela, and Bolivia later joined, LAFTA failed to meet its goal of establishing a free trade zone among member countries in a period of less than 12 years. Factors such as the limited technological and industrial progress of the members, the external indebtedness of the member countries, institutional political instability in the region and the different meaning that the integration process presented for its members were an obstacle to the progress of LAFTA [9]. Given this, the member countries sign the Montevideo Treaty of 1980 thus creating the ALADI, which would replace the LAFTA.

On the other hand, the Central American Common Market (MCCC) grouped all the countries of Central America apart from Panama. The MCCC has its origin in the General Treaty of Central American Economic Integration of 1960. According to the Treaty, the Central American countries undertook to establish a common market in five years from its entry into force, adopt a uniform Central American tariff and establish free trade for products originating in the respective territories [10]. Although the objective of the Treaty was the creation of a free trade area, it was part of a larger regional integration project. In fact, together with the General Treaty of Economic Integration, a series of institutions were created to deepen regional integration: CABEI (1961); the CCC (1961), whose objective was to facilitate intra-regional transactions by paying them in national currency, and the Central American Monetary Council (CMCD) (1964), created to establish the Central American Monetary Union [10]. The results were not positive due to internal factors such as the conflict between Honduras and El Salvador in 1969 or the departure of Honduras; However, after the 1990s, the MCCC recovered part of its initial dynamism.

As can be seen, in the creation of ALALC and MCCC a main trend persisted that attended to globalization, in both they sought to consolidate economic objectives and interests. However, at the turn of the century, the Union of South American Nations (UNASUR) challenged this trend by proposing a political alliance with an emphasis on Latin American identity. UNASUR arises because of the constant meetings of presidents of South America since September 2000. According to Ignares [11], political leaders sought to establish geographic continuity and a community of values that would concur in a common agenda of challenges and opportunities. These objectives materialized with the Cusco Declaration of 2004, within the framework of the III Meeting of Presidents of South America, in this event the South American Community of Nations (CSN) was created. The CSN was born to unite two great regional forces: the group of member nations of the Common Market of the South, Mercosur, and the western bloc made up of the Andean Community, CAN. The member countries were Argentina, Bolivia, Brazil, Chile, Colombia, Ecuador, Guayana, Paraguay, Peru, Suriname, Uruguay and Venezuela.

Starting in 2005, three ordinary meetings of Heads of State and Government of the CSN were held, in which the following were defined: a priority agenda and the action plan; holding a South American Energy Summit; the name change to UNASUR; the establishment of an integration model based on solidarity, cooperation, sovereignty, peace, respect, democracy, pluralism and sustainable development; the creation of the South American Councils for the Fight against Drug Trafficking; Infrastructure and Planning, Social Development and the creation of the South American Council for Education, Science, Culture and Technology (COSECCTI).

But it was only in 2008 that the Constitutive Treaty of the Union of South American Nations was signed in Brasilia at a meeting of Heads of State and Government of UNASUR [12]. About the member countries, it is possible to note that during the most active years of UNASUR, Venezuela considered UNASUR as a mechanism to confront North American hegemony over the region. Venezuela expressed geopolitical and oil interests in Unasur, while in terms of ideas it preferred a supranational institutionality, which privileged the political and abandoned trade liberalization [13].

On the other hand, Brazil reinforced its hegemonic character in the south of the continent and, at the same time, tried to promote integration among the South American states. After the death of Hugo Chavez in 2013 and the complaints about the confusing presidential elections in Venezuela where Nicolas Maduro was elected, UNASUR began to disintegrate. Faced with accusations that UNASUR supported and promoted the Venezuelan dictatorship, on April 18, 2018, the foreign ministers of Argentina, Brazil, Chile, Colombia, Paraguay, and Peru sent a letter to the Bolivian Foreign Minister, Fernando Huanacuni, in the who stated that they stopped participating in the organization. Subsequently, the countries, together with Uruguay and Ecuador, announced the creation of the Forum for the Progress of South America (PROSUR). This last attempt at regional integration created in 2019 has as its mission to promote, renew and strengthen the integration of all the countries of South America to contribute to their growth, progress, and development. This will be possible through a flexible, light, inexpensive structure, with clear operating rules and an agile decision-making mechanism. PROSUR presents as a requirement to participate will be the full validity of democracy and the protection and guarantee of human rights [14].

3. Failure of the Latin American Integration

3.1. Ideological Barriers

Hugo Chávez became president of Venezuela in 1998, ushering in a major shift toward leftist governments in Latin America. Mainly the speeches of the politicians of the left were based on harsh criticism of the right-wing governments of the past. The new leftist governments in Argentina, Ecuador, Bolivia, Nicaragua, among others, led by Hugo Chavez promoted the birth of integrationist projects that sought free trade and the consolidation of Latin American identity.

The Latin American left at the beginning of the 21st century did not have a base of support for its objectives; in this context, the right consolidated and found its peak in the 1990s, benefiting from the confidence inspired by the democracies of the West and the dissolution of the Union of Soviet Socialist Republics. In a short time, it became clear once again that the free market without control and the lack of competition lead to misery and exclusion. In this context, the wait for the unworthy economic spill, which never came, motivated the struggles for change and these found refuge in the populism that inspired the socialism of the 21st century, which did not need much time to reveal its demagoguery and show new levels of poverty and marginalization among the population [15].

This continuous variation of ideologies in governments would not mean much if the integration of Latin America were not excessively politicized. The integration strategies proposed by the governments of the right and left adopt the interests of the political parties but not of the states. This results in a lack of continuity to state policies that seek integration within the region.

3.2. Economic Factors

Analyzing intraregional trade in the region is vital to understand why there is still no solid Latin American integration. Trade in the region is characterized by a low degree of openness to trade, and is also regulated by weak institutions, particularly for dispute resolution. It also has low credibility since it adopts limited common standards. Without a doubt, there is an absence of: macroeconomic coordination, treatment

of asymmetries and non-commercial disciplines [16]. Although commercial failure between countries is often attributed to geographic factors (the size of the continent, the Andes Mountain range, lack of roads), the lack of political commitment and the poor formulation of terms should not be ignored. of commercial treaties.

3.3. Excessive Nationalism

Despite the continuous stream of declarations (and more on rhetoric later) on –or in favor of– Latin American unity, the fact is that the region has made very little headway towards unification [17]. However, excessive nationalism should not be confused with the autarchy that was dominant from the 1950s to the 1970s and that imposed a near total closure of national borders, preventing any kind of opening to trade or any attempt at integration.

Starting with the initial attempts made by the ALALC (Latin American Free Trade Association), followed by the LAIA (Latin American Integration Association –also known as ALADI, its Spanish acronym–) in the early 1960s, and up to the more recent efforts by Central America and the Andean Community of Nations (CAN), there have been very few tangible results [17]. The long process of integration has been a veritable alphabet soup with regional and subregional ingredients, spilling across the continent in all directions. no Latin American country is willing to give up the smallest amount of sovereignty for the construction of supranational institutions, and without such institutions there is no way that regional or subregional integration processes can advance or be consolidated [17].

4. Conclusion and Recommendations

Latin America is united by language and religion. However, this is not enough for integration. LATAM is not yet a unified actor in international relations. It is necessary to resolve the obstacles explained in this work to progress, starting with economic cooperation within the region and outside it.

Failed integration is a consequence of domestic issues and poor foreign policy. Leftist governments have been promoting integration, but they have not had clear goals and mostly have been based on being an anti-USA bloc. Latin America should identify common interests and discrepancies in politics and economy. Moreover, it is essential to rethink, reactive, and reformulate the existing institutions instead of creating new ones.

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