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**POST-LIBERAL REGIONAL DYNAMICS OF  
SOUTH AMERICA**

*Inductive vs. deductive approaches*

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## **Abstrakt**

S koncem studené války se začal regionalismus stávat populárním způsobem ke studiu mezinárodních vztahů. Nicméně, eurocentrické a deduktivní přístupy zůstávají dominantním proudem regionalistických teorií. Deduktivní metody ale imitují schopnost těchto teorií přesně vysvětlit odlišné regionální fenomény. Cílem této práce je prozkoumat validitu hlavních regionálních teorií v kontextu Jižní Ameriky, která nabízí ideální prostředí pro studii post-liberálního regionalismu. Tato diplomová práce má za cíl identifikovat hlavní nedostatky v současné debatě o regionalismu. Hlavní hypotéza je, že i navzdory tomu, že deduktivní přístupy jsou hlavní metodou ke studiu regionalismu, jsou to právě induktivní teorie, které úspěšně dokážou popsat regionální dynamiku díky eliminaci extra-regionálních předpokladů a exkluzivnímu odvození hypotéz z regionálních realit. Tato hypotéza je testována na případu integrace v Jižní Americe skrze čtyři tematické okruhy postavené na předpokladech hlavních regionalistických teorií, které ověřují jejich validitu. Následná analýza trajektorií regionalismu v Jižní Americe dokazuje, že deduktivní přístup úspěšně identifikuje klíčové faktory, nicméně, chybně předpovídá následnou regionální dynamiku tím, že očekává funkcionalistickou integraci v evropském stylu. Na druhé straně induktivní přístup popisuje motivace a proudy regionální dynamiky úspěšně, protože je odvozuje čistě ze specifických regionálních vlastností bez vlivu klasických systematických teorií. Tato diplomová práce tak dokazuje, že mezinárodní vztahy by měly být zkoumány zejména induktivně a využívat deduktivní přístupy a faktory jen k zevnějšímu empirickému popisu, jelikož současný multipolární systém zdůrazňuje specifické regionální hodnoty.

## **Abstract**

Since the fall of the Berlin Wall, regionalism as an approach for studying International Relations has been gaining a momentum and popularity, yet, it has been mostly dominated by Eurocentric and deductive postulations, unable to successfully answer many regional issues. The focus of this thesis is to examine the validity of the major regionalist theories in the context of South America, a region that offers an ideal environment for a study of post-liberal regionalism. The thesis attempts to answer what are the main shortcomings of the contemporary regionalist debate. The main hypothesis is that while the contemporary debate of regionalism is dominated by the deductive approach, this can only direct us to some general variables and factors, but it is the inductive approach that leads us to correct assumption by expunging extra-regional influences while building the hypothesis up. The hypothesis is tested on the South American regional dynamics through four thematic clusters based on the major assumptions of the regional theories that test their validity. The analyzed trajectories of the South American regional dynamic prove that the deductive approach is valuable in directing the research the right way in some general patterns, but it fails to make correct postulations about the type of the regional integration and its expectations. On the other hand, the inductive approach picks up the regional dynamics without the extra-regional experiences and allows to describe and identify the region-specific realities. The thesis ultimate shows that the study of international relations should be inductive in its nature while relying on some systemic variables and factors in its inquiries. Yet, the global multipolarity empowers specific regional dynamics and values that are determinant.

## **Klíčová slova**

Regionalismus, Jižní Amerika, Bezpečnostní studia, regionální dynamika, integrace

## **Keywords**

Regionalism, South America, Security Studies, Regional Dynamic, Integration

## **Prohlášení**

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## INTRODUCTION

The shift from the bipolar to unilateral post-Cold War world order has created a new world dynamic, subject to new approaches and takes on the systemic IR theories. But as the global order has changed again from the unilateral set up to a multilateral one, regions are becoming the focal level of analysis with multiple new global actors rising in power and engaging in regions as extra-regional forces. South America is an ideal region that demonstrate these changes with a new wave of post-liberal regionalism emerging from the new multicolor regional realities resulting from the hegemonic interplay between China and the United States and newly, Brazil. Together with the new regional project, the Union of South American States, the South American space offers us an opportunity to see what the new regionalism in a multilateral world is built on.

Regionalism as a theoretical approach comes to replace the less and less relevant system dominant global IR theories. Across the different approaches, the question is what factors are important in analyzing regional security dynamics. Regionalism is not a revolution in IR theory but rather its alternation, and as Robert E. Kelly perfectly summarizes, new regionalism is rather a Lakatosian challenge than a Kuhnian paradigmatic shift.<sup>1</sup> Therefore, the main challenge in a Lakatosian sense lays in identifying the right set of the auxiliary hypotheses to accept and reject the ones that do not fit. Within the contemporary regionalist debate, one can find a major divergence between various regionalist theories that divides them into inductive and deductive approaches. While some regionalist authors are simply downscaling global IR theories to the regional level, other come with an inductive approach to building them up. Even though regional studies are ontological in their nature, their research has epistemological implications on the way we try to understand regions.

New approaches to regionalism spread across the various theoretical approaches to IR. On one hand we have the traditional approach ranging from the Copenhagen School and Barry Buzan's Regional Security Complex Theory, Karl Deutsch's Security Communities and their constructive alternations by Emmanuel Adler with Michael Barnett that embrace a deductive approach when dealing with regions, by asserting a certain conventional framework that on the first sight might look like it takes into account region-specific characteristics and values, but in reality approaches these variables skeptically with an override of traditional concepts of rivalry, balance of power,

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<sup>1</sup> Kelly, R. E. (2007). Security Theory in the "New Regionalism" 1. *International Studies Review*, 9(2), 197-229.

hegemony, anarchy or a mere presence of shared values and shared security threats. This is demonstrated by ever-bringing of the European integration experience to the regions by these deductive approaches. On the other hand, we have some that embrace an inductive approach. Those are found among critical theorists such as Bjorn Hettne, Mary Farrell or Third Worldist Mohammed Ayoob. They break away from the traditional overlay and Eurocentric views by adopting the alternative experiences and dynamics of the region in building the theories up from the regions without applying a certain muster upon them.

The new regionalism in South America is represented by the creation of the Union of South American Nations. The original ambitions of UNASUR were to create a similar integrational project to the European Union. However, the dramatic post-liberal shift of the 2000s that grew on the historical realities and South American identity, projected a different trajectory for this regional project. With the EU-dominated debate of regionalism and integration, a study of regional dynamics within UNASUR should offer us a look into a post-liberal type of an integration that differs from our experiences. Therefore, the goal of this research will be a throughout examination of the South American space and its regional dynamics in the context of the new wave of 'post-liberal' integration under UNASUR. Moreover, as this research will be led by the major regional theories and their assumptions, it will also contribute to the theoretical debate about regionalism.

The post-liberal integration has different dynamics than the deductive regionalist theories predict. The dominance of the European experience prevents a further evolvement of the regionalist theories outside of this view and the global overlay is preventing any inductive findings. However, it is a true inductive approach that allows us to find the correct dynamics and realities. Through the case study of the post-liberal South American regional dynamic this thesis will argue that regions have to be studied inductively, with regionalist theories being truly built up on the regional realities while expulsing the overlay of systematic IR theories and out-of-the-region assumptions. Such a hypothesis will ultimately complement David Hume hypothesis that growth of science has always been inductive and irrational.<sup>2</sup>

The structure of the research will be divided into thematic clusters built upon assumptions of main regionalist theories. Each cluster will allow this thesis to analyze a particular area of the regional

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<sup>2</sup> Watkins pg. 281. 1968



dynamic that will all together give us a complete picture of the main drivers and characteristics of the post-liberal integration in South America. Each cluster will then test various assumptions of the regionalist theories. Consequently, these findings will point out what theories and assumptions are successful in identifying the regional tendencies and traits and what approach between the inductive and deductive one, is more successful. This thesis ultimately aims to answer what are the shortcomings of the existing theories of regionalism and what are they main regional drivers.

Firstly, the economic and political dimensions of South American regionalism will be examined. Built mostly on liberal, neo-functional and Eurocentric assumptions, the deductive assumptions expect the traditional supranational economic-oriented integration through an institutionalized model with classical cessation of state-sovereignty. This understanding of regional integration had its very basic bases in ideological principles of neoliberal economic thought and capitalist international economy starting with Ricardo or Adam Smith but advanced toward integration with Bela Balassa theories of a five-step economic integration. As the 1<sup>st</sup> best option, the global free market is rather idyllic or futuristic, the 2<sup>nd</sup> best option as a regional free market, has been considered the most suitable international economic development after its description by Richard Lipsey and Kelvin Lancaster. Drawing on the principles of German economic integration, the Zollverein, contributions of Jacob Viner and ultimately the experience of the European Union, theories of institutionalism and functionalism explain the integration through its economic and political drivers. This economic and political cluster will search for the dynamics and prospects for integration along the lines of economic-oriented integration as its leading force.

The second chapter will focus on the classical power structures in the region from a realist perspectives and aim at assessing the potential and competencies of hegemonic powers in the region. The presence of a unifying hegemon is very frequent in any realistic or traditional view of regional integration and dynamic and has been usually preconditioned by the existence of such power. For Barry Buzan's RSCT, any sense of a regional autonomy is naïve, and any sensible integration and security order on a regional scale is impossible without an extra-regional power. Additionally, he sees prospects of a regional hegemon as unattainable as the regional powers do not match any types of hard or soft power of global hegemons and only act through them for their own gains. In the case of Ayoob's Third Worldism and his subalter realism, he describes regional dynamics with realist perspective that, however, functions on Third World principles partially

apart from the global overlay. The role of a regional hegemon for him constitutes a regional security order, any sense of a security community or regional cooperation. Ayoob's theory recognizes intervention by great powers as determinant based on the various levels of involvement but at the same time sees its absence as a prerequisite for regional security cooperation. The way great powers interfere in the region together with its effects on regionalism will tell us in which way this variable shapes the local dynamics and whether it ought to play a determinant role or not. Critical theory on the other side is mainly concerned with regional autonomy sees extra-regional powers as influential, but are rather skeptical about the role they play in forming the region, as regionalism is rather autonomous self-defense mechanism to fend off superpower hegemony to them. As an analytical tool for assessing the regional powers in South America will serve Stefan Schirm's analytical framework of regional powers that examines six variables for country's prerequisites: economic, material and organization resources to play the leading role, willingness and aspirations for such a position, activities supporting this claim, acceptance by other countries and real political influence in the region.<sup>3</sup> However, these analytical approach will not be concerned with the question if the regional power fulfils all the mentioned criterions, but only as a mere guidance for the study of the role and feature of the regional power, which is Brazil.

The third chapter of the analytical part will be the security cluster. It will be aimed at the security dynamics in the region, patterns of rivalry, conflicts and alliances as well as the nature of the security environment and cooperation in this sector. For the concept of security communities of Karl Deutsch, an absolutely determinant factor is the commitment to solve issues in a peaceful way, which is relevant, yet rather inapplicable upon intrastate security issues. The level and type of interactions between states, as well as mutual trust, are key together with the responsiveness and willingness to the needs of other security community members. The security cooperation and interactions within a security community helped to create a supranational body, but did not move it from a state-centric dynamic. For the RSCT, the levels of amity and enmity are a determinant as well to the overall dynamics in the region, and it uses the three constructive types of Wendt's environment to categorize it. As the cultural, historical and political origins of these patterns are determinant and used to analyze the prospects of regional integration but only to categorize them in the traditional Western sense. Barry Buzan also sees present security practices as a major

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<sup>3</sup> Schirm, S. A. (2007, May). *Emerging power leadership in global governance: Assessing the leader-follower nexus for Brazil and Germany*. In ECPR Joint Sessions of Workshops. Helsinki, May

constituting factor for the region. Mohammed Ayoob, on the other hand, puts a special emphasis on the nature of security threats and its implications in the context of relations between states and drivers of regional integration.

The last chapter will analyze the identity cluster and will aim at describing variables of a shared identity and common historical, cultural and political values that is perceived as a crucial driver in New Theories of Regionalism or for Karl Deutsch's Security Communities. This chapter will analyze the two main forces in integration as described by Critical Theories. Those are the sense of regionness and goals of self-identification and regional autonomy as described by the critical theory authors above. The constructivist explanation of Security Communities from Adler and Barnett stresses shared values as well and points to them as to determinant factors in creating the SC.

In the era of regionalization we can perceive that entire IR system theories or even regional approaches might not be fully applicable in the sense of Carl Popper's falsificationism, yet should not be disregarded completely and with rejecting their incompatible parts we can maintain its relevant parts. For the study of the regions, the Lakatosian approach is a particularly suitable methodology, as the global overlay of the majority of IR theories limits its adaptation to region specific environments. On the ontological side, this approach will jointly create a framework for an in-depth understanding of the South American security integration and regional dynamics. Epistemologically, it will contribute to the discussion about how to study regions by debating the relevance of various analytical patterns of regionalism.

Such a look into the South American regional order will allow this research to identify and characterize the main drivers and traits of this regional integration on a wide scale across the various approaches, therefore, gaining a unique view of the regional security dynamics. Consequently, this research will be able to contribute to the theoretical debate on regionalism, with arguing that while the deductive approaches direct us to some areas that should be relevant from a general point of view, the inductive view helps us to understand the implications of the identified patterns and dynamics.

## REGIONALISM AND REGIONAL SECURITY THEORIES

Regionalism has experienced ups and downs throughout its short history. From its origins in the 1950s and partial development through the 1970s this particular view of international relations has been limited by the realist assumptions cemented by the bipolarity of the Cold War. The study of regions occasionally spurred up either during the fall of the Bretton Woods system, the Vietnam War or in a reaction to the successful early waves of European integration.<sup>4</sup> Moreover, it received no attention and disappeared during the slowdown of the European Economic Community integration in the 1970s or with the failure of the Third World economic cooperation, as regionalism deteriorated into a non-perspective theory.<sup>5</sup> When Gorbachev's unorthodoxy and susceptibility put an end to the rigid, rusty and broken Soviet empire, the unilateral world order offered much more room for study of international systems from the regional level. However, this debate was significantly dominated by the US hegemonic dominance and the new unipolar world. It would not be until the beginning of the new millennium when we could see regionalization as a major trend in international relations, challenging the traditional global systems disregarding regions specific variables as normative. The unipolar world order is transferring into a multipolar world, and the global system dominance of the regions is substituted by regional emphasis. For that, regionalism is now more relevant than ever.

### Critical Theory and New Regionalism Theory

The context of new regionalism includes four major lines identified by Bjorn Hettne and Fredrik Soderbaum. The first is the change from bipolarity and, nowadays, from unipolarity; the second a more open approach towards regionalism from the side of the world hegemon, the US; the third would be the post-Westphalian order fueled by globalization and interdependence; the fourth is the new approach towards neoliberalism and economic development in these new regions.<sup>6</sup> The New Regionalism Theory (NRT) has to be applicable worldwide, as the theory should be a combination of different forms of regionalisms that shape the world order. Therefore, we can say the critical approach by Hettne is inductive, creating a theory from the bottom up.

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<sup>4</sup> Kelly (2007), pg. 199

<sup>5</sup> Hettne, B. (1999). Globalization and the new regionalism: the second great transformation. *Globalism and the new regionalism*, 1, 1-24.

<sup>6</sup> Hettne, B., & Söderbaum, F. (2000). Theorising the rise of regionness. *New Political Economy*, 5(3), 457-472.

Hettne in his seminal work on the new theory of regionalism ‘Second Transformation’ sees regionalism in a symbiotic relationship with globalization. He describes it as a counter process that, however, is complementary to globalization and transforms it.<sup>7</sup> The dialectic between globalization and regionalism is key for Hettne because he builds upon it by seeing regionalism as a process similar to globalization that is limited by boundaries. This means creating homogenization, reducing sovereignty and changing the role of states.<sup>8</sup> However, he gets rid of the traditional global overlay and downscaling by comparing the region building rather to a process of nation and state building. Either trajectory implies that regionalization comes from shared values and so-called regionness. The systematic overlay he applies is not deductive, but quite the opposite. Moreover, he sees the underlying basic principle of new regionalism not in the Westphalian and Western liberal principles, but in region-specific cultures, values, identities and dynamics. Bjorn Hettne puts the New Regionalism Theory at the opposite of the neoliberal Westphalian order, in the sense that both are of a transformative power, but where the former is based on intra-regional interactions and soft power with the latter being based on hard power and neo-imperialism. Regionalism comes from bellow and is open and independent, especially in the economic terms. On the other hand it is much more complex as it is constituted by the comprehensive source of regionness and shared values. This is a significant variable for Hettne, with regionness being constituted by a set of shared cultural identity, degree of economic and political homogeneity, security order, and capabilities and habits of conflict resolution without extraterritorial intervention.<sup>9</sup> Regionness tells us about the dynamics of the region that we ought to inductively build up.

*Inductive* \_\_\_\_\_ *approach*

The main distinction of the critical theory is its rejection of the systematic overlay of other regional security theories. This is particularly made obvious by Hettne’s rejection of rational global theories and principles. The theories of international relations ought not to be built on the systematic whole world view, as these theories are usually dominated by the Western concepts and principles, European experiences of regional integration or Westphalian order. The theories should be built accordingly to the referenced region in a way that corresponds to its realities. In security studies,

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<sup>7</sup> Hettne (1999), pg. 6.

<sup>8</sup> Hettne (1999), pg. 7.

<sup>9</sup> Hettne (1999), pg. 10.

the focus should be given especially to the types of violence that shape the sort of regional security integration. There is no need for the security threats to be corresponding with each other, it only matters what dynamics and environment it creates. The levels of analysis are not important for critical security theorists; rather they focus on the particularities of the regions and its specific principles and values. Regionalism is also viewed as a way to a more multilateral system reinforcing global governance, rather than power politics. However, Robert E. Kelly in his analysis of new regionalism argues that critical theorists are also downscalers and see regionalization among weak states to be easier as the weak states are already artificial.<sup>10</sup> Moreover, they fail to get rid of the post-Westphalian experiences of European integration highlighted by struggles over sovereignty or implications that just like globalization, regionalism will bring a changed role of states and reduced sovereignty. Therefore, critical theorists do bring some principles down onto regions. Yet, they claim to build the theories from bellow due to their reliance on shared values and common identities.

*Defense* \_\_\_\_\_ *against* \_\_\_\_\_ *traditional* \_\_\_\_\_ *hegemony*

Two issues that critical theorist are targeting is local disorder and the chance of a new hegemonic penetration. These ideas are developed by Pugh and Sidhu<sup>11</sup> and Falk.<sup>12</sup> They see regionalism as an impulse to bring local order, engage with security threats and in conflict resolution and generally some regional integration.

The main point is that the regionalist initiatives are a response to the traditional hegemonic presence determining the regional dynamics. They serve as a self-identifying processes that are to build up a regional identity, as mentioned before, to strengthen the regional and gain more independence for the Western or neoliberal primacy.<sup>13</sup> Hettne speaks of the role of regional integration organizations that serve as a tool to replace the presence of world powers in post-Westphalian regions. As an example, he proposes the US war on terror that solidifies the US presence in many regions, not just the Middle East. This idea of replacing the old world powers as

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<sup>10</sup> Kelly (2007), pg. 215.

<sup>11</sup> Pugh, Michael, and Waheguru Sidhu, eds. (2003) *The United Nations and Regional Security: Europe and Beyond*. Boulder: Lynne Rienner Publishers., pg. 412

<sup>12</sup> Falk, Richard. (1999) Regionalism and World Order after the Cold War. In *Globalism and the New Regionalism*, edited by Bjorn Hettne, Andras Inotai, and Osvaldo Sunkel. New York: St. Martin's Press.

<sup>13</sup> Hettne, Bjorn. (2005) Regionalism and World Order. In *Global Politics of Regionalism: Theory and Practice*, edited by Mary Farrell, Bjorn Hettne, and Luk Van Langenhove. London: Pluto Press.

the main actors in the area by the multilateral, regional institutions is described as the ‘Second Great Transformation’. The great power penetration is, therefore, determinant not directly by its actions, but by the consequence of these actions.

Another point that Hurrell stresses that the new regionalism is not built around a third party conflict mitigation (e.g. European Community). It is rather focused on order-bringing mechanisms<sup>14</sup>. This point is reinforced by Fawcett that sees the new regional organizations without the big powers as shifting from a space of hegemonic influence to a real regional conflict managers.<sup>15</sup> However, this brings a double sided reaction from the world powers as Pugh<sup>16</sup> and Katzenstein<sup>17</sup> shows where big powers are in favor of regional organizations in handling regional conflicts and crisis but dislike them when they act against them as autonomous actors exerting pressure against the world power. Hettne proposes that regionalism functions directly as against the American economic dominance and also against its security unipolarity. Meanwhile, Farrell describes it simply as a ‘defensive regionalism’.<sup>18</sup> This is a defense toward global, hegemonic or systematic interference and influence is the core principle in the new regionalist theory that will decide in the future about the relevance of the regional level analysis and shape the current debate on regionalism. Regionalism has to develop independence in order to survive.

### Region building and self-identification

Another important role is the role of regionalism as a whole, which is a lot more relevant in the developing peripheries than the established regions of the Western world, is region-building. As Farrell points out, the strategic goal of regional is the establishment of the particular identity and building of its coherence.<sup>19</sup> Fawcett adds to this point by stating that regionalism is a project and a policy, rather than a natural rational way of things. This way the debate changes from neorealist

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<sup>14</sup> Hurrell, Andrew. (2005) *The Regional Dimension in International Relations Theory*. In *Global Politics of Regionalism: Theory and Practice*, edited by Mary Farrell, Bjorn Hettne, and Luk Van Langenhove. London: Pluto Press. Pg. 24

<sup>15</sup> Fawcett, Louise. (2003) *The Evolving Architecture of Regionalism*. In *The United Nations and Regional Security: Europe and Beyond*, edited by Michael Pugh, and Waheguru Sidhu. Boulder: Lynne Rienner Publishers.

<sup>16</sup> Pugh & Sidhu (2003), pg. 40

<sup>17</sup> Katzenstein, Peter. (2005) *A World of Regions: Asia and Europe in the American Imperium*. Ithaca: Cornell University Press.

<sup>18</sup> Farrell, Mary. (2005) *The Global Politics of Regionalism: An Introduction*. In *Global Politics of Regionalism: Theory and Practice*, edited by Mary Farrell, Bjorn Hettne, and Luk Van Langenhove. London: Pluto Press

<sup>19</sup> Farrell (2005), pg. 8

assumptions, that the states only seek a natural safer way, and shifts the debate to norms of liberal institutionalism and constructivism.<sup>20</sup> The way this regional building process takes place is more explored by critical theorists Kaisa Lahtemaki and Jyrki Kakonen<sup>21</sup> that highlight the ‘regionness’ as a particularly important factor. The regionness is developed based on the proximity and shared cultural, linguistic or other features. This likeness develops then sets the ground for a regional security community. This idea of region building is also reiterated by Louise Fawcett arch between soft to hard regionalism, where soft regionness in a more abstract form transforms into hard regionalism represented by the regional institutions, security cooperation or other forms of partnership. The integration process according to Fawcett and by Fulvio Attina progresses ultimately towards a development of regional security cooperation partnerships and security communities. The weakness of the peripheries is the strongest driving force behind the regionalism that is ideally sourced in a form of a regional organization. The arguments of proximity and intensity are accepted as well by constructivists but in an inverted view. They see the flows of threats, fear and natural hostility as the main building forces in integration, whereas the critical theorists see the amity within the region, the regionness, as the main building block for regional integration.<sup>22</sup>

Amitav Acharya speaks directly of ‘autonomous regionalism’ that counters the ‘hegemonic regionalism’, and that serves two purposes, to fend off American influence and to defend against globalization.<sup>23</sup> The defense against not only the US primacy but also against the globalization is underscored by Hettne as well. Especially, in the economic terms, where the regions are developing joint economic positions, increasing and preferring the trade within the region in order to increase its competitiveness on the global scale. The perception that regionalism serves towards the defense against the globalization is an important point of the debate stressed by many.

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<sup>20</sup> Hurrell, Andrew. (1995) Explaining the Resurgence of Regionalism in World Politics. *Review of International Studies* 21:331–358.

<sup>21</sup> Lahtemaki, Kaisa, and Jyrki Kakonen. (1999) Regionalization and Its Impact on the Theory of International Relations. In *Globalism and the New Regionalism*, edited by Bjorn Hettne, Andras Inotai, and Osvaldo Sunkel. New York: St. Martin’s Press.

<sup>22</sup> Kelly (2007), pg. 215

<sup>23</sup> Acharya, Amitav. (1992b) Regional Military-Security Cooperation in the Third World: A Conceptual Analysis of the Relevance and Limitations of ASEAN. *Journal of Peace Research* 29:7–21.



Critical theorists do expect a regional integration in the Eurocentric sense from Fawcett's progress through regionalism ends in a creation of a regional organization<sup>24</sup>, Hettne's expectations of a regional security communities<sup>25</sup>, or Lahteenmaki and Kakonen organizations built on regionness.<sup>26</sup> However, they bring a unique point of view on the dynamics and drivers of this regionalization that are purely inductive and original, which is the main added value of this approach.

### Third World Regionalism

Mohammed Ayoob looks at regional security and regionalism from a Third World perspective that certainly brings many unique points to the theory. While he sees the regional system as anarchic as others, he argues that it is manipulated and regulated by the nation states for the purpose of gaining order and stability in the region. Based on that he rejects downscaling of the international overlay because it brings the historical experience of Europe and European integration to the regions, despite the reality.<sup>27</sup> Unlike critical theorists and rationalists that compare the integration dynamics to the processes in once found in Europe the third worldism differs. They see it as an imperative to get rid of any non-regional experiences and concepts as the theoretical research should be exclusively built up from Third World realities.<sup>28</sup> This inductive research is more likely to uncover some new theories.

Firstly, it points out the different nature of security integration in Third World countries that causes the different understanding of state sovereignty to play a unique role. Ayoob underscores that Third World integration does not show the expected integration traits of free trade agreements, the creation of a single market or the traditional fight over sovereignty. This only confirms his rejection of the global overlay by specifically point to the European Union integration issues that are not universal. Regional integration in these regions enforces state sovereignty and puts together nations in order to protect each other's sovereignty in the fight against internal domestic threats. This is because of the nature of the threats is coming rather from within the country. Therefore, weak states cooperate in the matters of security against internal challenges in order to protect their

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<sup>24</sup> Fawcett (2005), pg. 24

<sup>25</sup> Hettne (2000) pg. 58

<sup>26</sup> Lahteenmaki (1999), pg. 214

<sup>27</sup> Ayoob, Mohammed. (1999) From Regional System to Regional Society: Exploring Key Variables in the Construction of Regional Order. *Australian Journal of International Affairs* 53:247–260.

<sup>28</sup> Kelly (2007), pg. 215

sovereignty. As Daniel Bach confirms, the third world regionalism is regionalization without integration,<sup>29</sup> a point rather conflicting with critical theorists. The process of regionalism according to Ayoob goes from temporary regional security cooperation to a regional society established by a long-term commitment to cooperation up to a regional community.<sup>30</sup>

This emphasis on state sovereignty as one of the basic values for regional integration in Third World has two reasons according to Ayoob. In the first place, it is built on a different nature of security threats, one that is rather domestic and also closely intertwined with interstate issues. As the countries are still in a process of consolidating state sovereignty, or they are still rather weak states, they tussle with exerting security across their own area. Therefore, the security dilemma is an internal one according to Brian Job and Ayoob as the state's weakness is shifting the security focus inward towards internal security threats as secessionist, terrorism, drug trafficking or organized crime. The main debate that rationalists' approaches stumble with is weak states because they see them as more likely to integrate, Ayoob otherwise. He further describes that in Third World conflicts are a result of state-making or the consequent post-colonial processes. These state-making issues are not, therefore, only internal, but act across borders and a distinction between them is hard to make. Coming from that, Ayoob sees stability and cooperation as a matter of threat perception by the states that constitute the main driver of security integration.

Ayoob also describes three major factors for establishing a regional security society. The first one is the presence of a regional hegemon. Regional powers are one of the most important variables in Ayoob regional security approach. A presence of a regional pivotal power or a hegemon constitutes a security complex. However, this regional power has to possess necessary abilities to consolidate regional security. The first major factor is a degree of legitimacy received from not only regional states but also great powers. It needs to possess adequate managerial powers. Such powers also have the power to increase the conflict level if their leadership is not accepted or challenged by others. In other words, the regional power has to have the sufficient power to coerce other regional rivals.<sup>31</sup> The degree of legitimacy in the eyes of others is crucial. Second key element is the regional autonomy and isolation from external powers. A higher degree of isolation from a great

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<sup>29</sup> Bach, Daniel. (2005) *The Global Politics of Regionalism: Africa*. In *Global Politics of Regionalism: Theory and Practice*, edited by Mary Farrell, Bjorn Hettne, and Luk Van Langenhove. London: Pluto Press.

<sup>30</sup> Ayoob (1999), pg. 248

<sup>31</sup> Ayoob (1999), pg. 253

power is a step towards a balanced regional security dynamics as regions thrive for autonomy. Yet, this has been an illusion according to Ayoob, who identifies three levels of extra-regional penetration from disinterest through instrumental intervention, in a form of weapons transfer and political or military support, to identification, consisting of institutionalized involvement for example in Europe through NATO.<sup>32</sup> Therefore, the level of global power involvement determines regions autonomy and ability to advance in integration.

Ayoob adds a unique point of view on regional integration in the third world that opposes the traditional understandings from system theories. His major focus is on the third world realities upon which he constructs his region-specific conclusion.

### Regional Security Complex Theory

Any contemporary debate about regional security dynamics is not complete without the inclusion of the omnipresent Copenhagen School and its Regional Security Complex Theory (RSCT) developed by Barry Buzan. The RSCT creates an operational framework for the identification and study of region-specific security dynamics in order to fill the space between global and national levels of analysis.<sup>33</sup> While the RSCT aims to ‘expunge’ Eurocentric elements in order to provide more of a globally applicable systematic approach, it is yet another downscaling theory, arguing that the regional level will always be key, but not necessarily dominant.<sup>34</sup> To add to this overlaying and rationalist view he applies the positivist neoliberal and neorealist approaches down onto the regions, as Buzan describes the security complexes as mini anarchies and continues to stress purely realists concepts of rivalry, balance of power and alliances as a major feature of regional dynamics.<sup>35</sup> We can characterize the RSCT as a deductive and global system dominant.

The four main variables of the RSCT are anarchy, polarity, boundary and social construction. Boundary or the RSC space is determined by the security interactions of a negative or cooperative nature, therefore by the “actual pattern of security practices” and that is what defines the security complex.<sup>36</sup> Once the RSC is determined, it enables us to study all of the intertwined security

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<sup>32</sup> Ayoob (1999), pg. 252

<sup>33</sup> Buzan, Barry, and Ole Waever. (2003) *Regions and Powers*. New York: Cambridge University Press.

<sup>34</sup> Buzan & Waever (2003), pg 52.

<sup>35</sup> Buzan & Waever (2003), pg. 47.

<sup>36</sup> Buzan & Waever (2003), pg. 41

threats, unable to be completely studied independently or by themselves. This approach allows to get rid of a state-centric and military-political focus on these threats as all of them, from environmental and economic through societal, are analyzed jointly according to Buzan.

Anarchy and polarity are implicit realist principles that direct the regional dynamics for Buzan. Anarchy and the inherent polarity as variables form his understanding of the role of regional and global powers. Regional powers' influence on the region goes only so far as the superpowers let them and whose penetration into the regions changes its dynamics only for their own balance-of-power interests. Therefore, the role of regional powers is significantly limited in the RSCT as the region is subject to the system polarity, and if that comes into the play, it only acts along the lines of historical and cultural patterns of enmity and rivalry.<sup>37</sup> Buzan therefore completely rejects any autonomy and self-determination of the regions. Additionally, local powers call upon great powers to gain backing for their regional aspirations, therefore, the RSCs are always experiencing a great power penetration.

The other main variable, social construction, is mostly concerned with the levels of amity and enmity. The patterns of amity and enmity are crucial and imported from cultural, historical, political and material conditions. To explain these patterns, Buzan looks to the Alexander Wendt's three types of security environments, the Hobbesian, Lockean and Kantian communities.<sup>38</sup> It is limited to Wendt's typology or to the mere measurement of amity vs. enmity that tells us very little about the region's cultural, historical or value principles. The sole division between the two streams limits the analysis to a 'friends or not' sort of a view. Giving the RSCT another analytical tool but a significant downscaling. The constructivist accent in the RSCT is only superficial as it is not concerned with its true implications and meanings.

The traditional deductive approach by the Copenhagen school can be seen in their description of four main areas for exploring the RSCT. They include internal vulnerabilities of the states, state to state relations, regions relations and interaction with other regions, the role of global power in the region. These areas, if analyzed, can give one a rough and specific understanding of the given issue, yet, tell us very little about the overall regional dynamics. While useful, they provide an incomplete picture. Buzan says they all are important but the theory does not specify which one is

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<sup>37</sup> Buzan & Waever (2003), pg. 47

<sup>38</sup> Buzan & Waever (2003), pg. 50

specifically more important, and it depends on empirical observations of a specific areas, leaving more ambiguity. Buzan uses the traditional realist assumptions to analyze the regions and forces down a universal framework to classify historical and cultural realities. By this deductive approach, he limits his theory to find anything new or different than what is looked for and misses out on the true regionalist dynamics. At the same time, we ought to take into the account his complex analytical framework because it points us to the traditional variables of international relations in regions that still bear some relevance.

### **The Security Communities from Deutsch to Adler and Barnett**

The concept of security communities was introduced by Karl Deutsch in 1957 and has served as a major concept for examining regions. It defines a security community as a group of states integrated under at least one principle, which is that social issues and problems are ought to be solved by peaceful means.<sup>39</sup> The theory offered two types of SC, amalgamated and pluralistic, with the former being formed by independent countries merging together under one government and the latter by sovereign states cooperating together. The amalgamated communities did not come into existence besides the forming of the United States, but the pluralistic communities in the likes of the European Union became a frequent template for the study of regional integration. The main variable for establishing an SC was for Karl Deutsch unsurprisingly the commitment to peaceful solutions of issues. However, the next key variable was the amount of transactions and interactions between the countries that would create a sense of a community. This would consequently lead to creating a set of shared values that would create a shared identity for the SC. The idea of security communities particularly challenged the state-centric system by viewing security as a matter not only of states but of such a supranational community existing as a group of cooperating states.

The concept of security community was resurrected with the end of the bipolarity with the constructivist approaches. Andrej Tuscicisny in his analysis of security communities makes a use of two principles described by Karl Deutsch to analyze SC and that is the willingness and ability of the governments within the SC to be responsive to other country's needs, actions or messages in a peaceful way, and the second criterion being "compatibility of major values relevant to

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<sup>39</sup> Deutsch, Karl et al. (1957) *Political Community and the North Atlantic Area: International Organization in the Light of Historical Experience*. Princeton: Princeton University Press.

political decision-making”.<sup>40</sup> This is a much more constructivist understanding of security communities. However, as Tusicisny states, the shared values were not determinant or crucial for the creation of pluralistic security communities, but it is the unattractiveness of war.<sup>41</sup> The concept of accepting non-violent conflict and social problem solution was for Deutsch the main determinant, which was however limited by his experience in the post-WWII world as he did not consider intrastate conflicts.<sup>42</sup> For him, the security communities are bounded by the commitment to peace.

The most significant constructivist continuation of Deutsch’s work was made by Emanuel Adler and Michael Barnett. They furthered the theory in their seminal work *Security Communities* in 1998. Their biggest addition to the theory was describing “shared identities, values and meanings” as the major variable.<sup>43</sup> Deutsch already talked about the international organizations exhibiting the incorporated major values between SC members, but for Adler and Barnett they were the most important. They further described the IOs as shaping national behavior and helping to construct the common identity of its members, therefore substituting state’s in their centric role and entering in a post-Westphalian phase of EU-styled integration. Another overlay used for analysis of all regions. Adler and Barnett describe the three phases of the security community creation: the nascent, ascendant and mature phase. This classification muster, like the one from Buzan, forces these categories on upon the states. The nascent phase is described as being built on positive relationships, aiming to increase mutual trust and with an emergence of social institutions, where “Governments do not explicitly seek to create a security community. Instead...increase their mutual security, lower transactions costs with their exchanges and/or encourage further exchanges and interactions”.<sup>44</sup> The ascendant phase is described as a situation where the countries do not perceive themselves as a threat, with the creation and employment of structures and organizations under which the countries act together. The mutual trust is being deepened and a new factor is the creation of a collective identity. The mature phase is signified by a multilateral structure that has developed to a point where military planning, threat identification and language and discourse of

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<sup>40</sup> Deutsch (1957), pg. 66

<sup>41</sup> Tusicisny, A. (2007). Security communities and their values: Taking masses seriously. *International Political Science Review*, 28(4), 425-449.

<sup>42</sup> Tusicisny (2007), pg. 427

<sup>43</sup> Adler, E., & Barnett, M. (Eds.). (1998). *Security communities* (No. 62). Cambridge University Press.

<sup>44</sup> Adler & Barnett (1998), pg. 50.

the community significantly merge in and are created collectively. Variations between loose and tight communities are differentiated by approach to mutual aid, levels of military integration, free movement or internationalization of communities' authority. It is indeed useful to approach the region by analyzing its process of regionalization, but without any inferring expectation that might shift our focus or analysis to fit perfectly into the described groups. Adler and Barnett create a set of predispositions for regional integration based on their post-Westphalian understanding of security communities' creation. Their approach can be described as heavily Eurocentric and deductive.

However, Karl Deutsch's original concept was certainly free of the constructivist underline. Ondrej Ditrych in his revisit of SC points out the constructivist approach of Adler and Barnett that changed the realist basis of Deutsch's security community theory. As they develop the concept on the basis of shared values, knowledge and ideational forces, they overlook the realist assumptions upon which Deutsch built his theory. Adler and Barnett limit their concepts to institutions, leaving out the people that create the community in the true Deutsch's sense.<sup>45</sup> Moreover, Ditrych as well uncovers the post-Westphalian shift in Adler and Barnett's approach to security communities, where they substitute states in dealing with security issues by the international organizations of the security community.<sup>46</sup> By that, they let their theory be influenced by the experiences of the European integration with post-Westphalian traits marked by lowering of the role of sovereignty and state-centrism.

To summarize, the three major determinants of Security Community are firstly the shared identities, values; secondly many-sided direct interactions and lastly the reciprocal long-term interest creating mutual trust. While the original work of Karl Deutsch is rather a realist without the alienation from the tradition hard state-centric view, the constructivist version of Adler and Barnett uses the shared values as a driver towards the typical European-styled form of integration. While its emphasis on shared values might be understood as inductive and giving more importance to the region's cultural specifics it used very deductively. The main distinction from inductive approaches is that while they do look at shared values as an important factor, they merely do not look at their implications but rather for their existence which constitutes the security community.

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<sup>45</sup> Ditrych, O. (2014). Security community: A future for a troubled concept?. *International Relations*, 28(3), 350-366.

<sup>46</sup> Ditrych (2014), pg. 352

This exactly points out to the problem of the deductive research that tells us that there are similarities but do not tell us their implications. Moreover, their concept of shared values is only used as a mediator variable to assume and deduct a traditional post-Westphalian integration.

## **FOUR AREAS OF SOUTH AMERICAN REGIONALISM**

The first ideas of a regional integration within South America have risen in the 1990s after the 'lost decade' of the 1980s. The primary idea was to connect the Andean Community (Comunidad Andina) that since 1966 integrated Colombia, Ecuador, Peru and Bolivia with the new organization of the Southern Cone, Mercosur, made up of Argentina, Brazil, Paraguay, Venezuela and Uruguay. With the Brazil's attempts to limit the US dominance by rejecting Bill Clinton's Free Trade Agreement of Americas, the idea was to economically connect the two mentioned entities together with Chile, Suriname and Guyana and create a unique South American body. The primary ideas were traditional liberal and neo-functionalist sort of an integration mirrored after the European project. The ambitions to have common currency, shared parliament, passports or market, laid at the very start of the South American integration that were the point of negotiations at the three South American Summits between 2000 and 2004. The process terminated in 2004 by signing the Cuzco Treaty in Peru that gave its origins to the new Community of South American States. But with the new ideological, political and economic changes the project completely changed its identity and principles. The organization changed its name to Union of South American Nations (UNASUR) and the new Constitutive Treaty signed in Brasilia, was the signal of a new project, a post-liberal and South American type of an integration

## **ECONOMIC AND POLITICAL DIMENSIONS**

The major source of integration dynamic has been always associated with economic integration as the main driver of the approximation between states. This approach is described by the major liberal and institutionalism theories that see free-trade and economic interdependence between capitalist and developed countries as the reason why nations integrate. With the European experience ranging from the German unification to the European Union, the New Theory of International Economy made the Western-style economic integration a logical outcome of these



trajectories. The developments in South America, however, created a different course, and the post-liberal shift has changed the economic and political drivers in a different way. The leftist shift sweeping through the region gave a rise to state-centered and protectionist governments, which produced a very different dynamic for the regional economic and political project; one that is oriented in protectionism and state-centric economies. These patterns are not just a production of the recent political and ideological shift, but rather as a result of the long-time evolution of the economic realities of the region, historical developments and the inherent nature of the local economies. Karl Deutsch describes two paths to Security Community, which is either through a political amalgamation or a functionalism, while to Mohammed Ayoob the new regionalism can be without actual integration. Critical Theory expects a traditional institutionalized supranational organization as goal or regionalism and so do Barry Buzan or Emmanuel Adler and Michael Barnett. Through these approaches this chapter will uncover the political and economic dynamic of South America and its possibilities.

### **Economic origins**

The Latin America is a developing region with an immense natural resources but also the highest inequality in the world.<sup>47</sup> The fall of the Soviet Union and eliminated communism as the only alternative order to the capitalist economy. With the successes of neoliberalism in the 1980s in the United Kingdom and the United States that have helped to overcome oil crisis of the 1970s and the collapse of the Bretton Woods system, this leading economic thought became a dominate force in the world. The success of Reaganomics and Thatcherism in untying the financial capitals in the Western markets was immense, no matter of the latter consequences in the form of the latest global economic crisis. Neoliberalism was a synonym for economic growth, but not every country has a stable population, strong middle class, developed industries and resources to maintain the system at work like the United States or other Western countries have. However, under the Washington Consensus, neoliberalism was applied in Latin America in the 1990s in attempts to resuscitate the ailing economies after the so-called ‘lost decade’ of the 1980s characteristic by harmful policies and overall fiscal mishandling by right-wing regimes. The set of market-oriented policies recommended for economic growth is attributed to John Williamson, the chief World Bank economist at his time. The concept built on market liberalization, deregulation and privatization

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<sup>47</sup> Tsounta, Evridiki & Osueke, Anayochukwu I. (2014) *What is Behind Latin America’s Declining Income Inequality?* IMF Working Paper. Retrieved from <https://www.imf.org/external/pubs/ft/wp/2014/wp14124.pdf>

was adopted to help Latin American economies, however, the combination of various macroeconomic to microeconomic faults caused this concept to be unsuccessful in improving the economies and marked the symbolic turn towards post-liberalism.

There are some general historical origins among South American countries that we can identify. Along the attempts to create domestic self-sufficient industries and get rid of the complete dependence on manufactured imports, the regional economies adopted the import substitution industrialization model aim at creating economic diversity and capacity to produce key imported goods. The policies were built around the idea of protecting the domestic industry in order to develop the local economy. This strategy was highlighted by high import tariffs and artificially overvalued domestic currencies, which harmed export of primary goods that were then not competitive on the international commodity market. Therefore, the GDP growth was mainly dependent on domestic demand.<sup>48</sup> With the Washington Consensus, the opening of the economies and privatization of the domestic industries unveiled the protected domestic businesses and factories to international competitions. In combination with overvalued currencies, the export goods could not find demand on the international market due to its high price but also their low quality. However, as the Washington Consensus policies were implemented, the growth did not arrive immediately. The decreasing role of the state in the economy according to the deregulation policies was represented by the growing absence of the public role in education, social security, healthcare, and other areas exacerbating structural borders between classes, the gap between the rich and the poor and overly increasing poverty in Latin America. Moreover, it slowed down the domestic demand essential for a stabilized economy. The state ceased to be a major economic actor as the role of public spending in the region accounted for only about 20% of the regional GDP.<sup>49</sup> Domestic demand was slow and thus microeconomic environment for the free market growth of businesses weak. The unsustainable monetary policies that maintained local currencies at artificially high levels destroyed the local industry by making it uncompetitive due to its high costs. However, the split in the debate about the cause of the Washington Consensus failure has the neoliberal critics blaming the concept itself together with the ill-motivated dominance of the

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<sup>48</sup> Vernengo, M. (2002). Globalization, a Dangerous Obsession: Latin America in the Post-Washington Consensus Era. *International Journal of Political Economy*, 32(4), 4-21.

<sup>49</sup> Stokes, S. (2009). *Globalization and the Left in Latin America*. New Haven: Yale University Press

United States. Contrary, the concept's defenders blame the incomplete and wrong adoption of the liberal policies, plagued with corruption and insufficient planning.<sup>50</sup> Despite that, the negative trade balances and outflow of capital caused countries to run out of their foreign currency reserves and to devalue; in Mexico 1994, Brazil and Ecuador in 1999, Argentina in 2001 and Uruguay in 2002.<sup>51</sup> As the international companies continued to exploit the openness of the local economies or rather the inherent relative weakness to Western industries, the outflow of capital caused a lack of liquidity that was being substituted by large loans increasing a debt crisis. Together with the low growth and in combination with the monetary crisis the debts were essentially impossible to repay and debt crises completed the Washington Consensus failure. The social and psychological impact of the economic crisis was immense, and its political consequences were exemplified by the new populist and leftist movements building their rhetoric on the failure of the right-winged, liberal and market-based Western economic thinking. Within this historical and contemporary context the new leftist government adopted a mix of protectionist and socialist policies characteristic for the region.

### The Return of the State

The consequent changes have been described as the *Return of the State* in Latin America, which puts together the changes across political, social, developmental and economic fields. The state has returned as the main managing actor not just in the sense of redistribution but also in other areas such as natural resources protection.<sup>52</sup> Jean Gurgel and Pia Riggiorizzi see the post-liberal shift as a force aimed to rebuild the previous structure of the state claimed back by the population.<sup>53</sup> This is occurring as a natural response to the years of right-wing governments following the Washington Consensus and disconnecting with the popular demands. This can be seen through various shifts in the region that have state-centrism and populism in its core. On one hand, we have new constitutions in Bolivia and Ecuador that are specifically aimed at the indigenous population

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<sup>50</sup> Johnson, S. (2003) Is Neoliberalism Dead In Latin America? Retrieved from The Heratige Foundation.

<sup>51</sup>Williamson, John. (2006) *After the Washington Consensus: Latin American Growth and Sustainable Development*. Keynote speech at the Seminar on Latin American Financing and the Role of Development Banks. Belo Horizonte, Brazil. Retrieved from <http://www.iie.com/publications/papers/williamson0306.pdf>

<sup>52</sup> Escobar, A. (2010). Latin America at a crossroads: alternative modernizations, post-liberalism, or post-development?. *Cultural studies*, 24(1), 1-65. (pg.8)

<sup>53</sup> Grugel, J., & Riggiorizzi, P. (2012). Post-neoliberalism in Latin America: Rebuilding and Reclaiming the State after Crisis. *Development and Change*, 43(1), 1-21.

and on the other heavily nationalist regimes in Venezuela and Argentina, with hefty social programs and redistribution policies. The unemployed men and women program in Argentina, the universal child benefit of cash transfers of 200 pesos to 4 million kids , Venezuela's social programs by the Misiones program aimed at education, scholarship, economic, health or food and in Brazil's the Bolsa Familia cash support system with state-funded credit are one of the distinct welfare programs enacted across the region.<sup>54</sup> The post-liberal return of the state aimed to put the benefits of the natural resources exploitation back into the domestic population's hands, making the state inclusive, defend public interest and bring back horizontal accountability that has been fading away in the neo-liberal order.<sup>55</sup> State's responsibilities in healthcare, housing, education and other social provisions were restored and set at the heart of the programs of the various types of left-leaning governments. They also describe another change which is a small group politicization that includes indigenous groups, local politics or worker's unions.

The main economic impetus of the post-liberal shift is the new protectionist policies in a combination of hefty welfare and social redistribution programs. However, given the nature of the Latin American economies built on the export of natural resources, much of the defense against the exploitation by neo-liberalism had to do with ensuring domestic benefits from resource extraction. This was, therefore, one of the origins of the resurrected mix of protectionist and redistributive policies. The state-centrist and redistributive governments helped to create such a change.

### **Protectionism as the new normal**

Protectionism has a long history in Latin America and especially in the area of integration. As one of the very first integrationist bodies, the CELAC, was created by the economic thinking of Raul Prebisch, and rested heavily upon several protectionist policies that aimed to transform and develop the traditional natural resource exporting economies into fully functioning ones. The protectionism and state-oriented economics has had a prominent role in the thinking of Brazil and Argentina where the economic thought has been particularly affected by the Americas School of Alexander Hamilton. Also, the theories of Fridrich List, a German economist and author of National System economy based upon a balance set of protectionist policies aimed at

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<sup>54</sup> Weyland, K. (2009). The Rise of Latin America's Two Lefts: Insights from Rentier State Theory. *Comparative Politics*, 145-164.

<sup>55</sup> Grugel, J., & Riggirozzi, P. (2012). pg. 8.

underdeveloped countries in order to catch up with the more developed ones and to prevent exploitation were influential.<sup>56</sup> The resulting protectionist economic thought resulting in the import substitution model engrained itself in the economic thinking of Latin America. This was a particularly apt theory for Latin America as there was a very little economic incentive to transform the current model that extensively benefited to the European and American domination. This thinking was brought back with the post-liberal shift. Protectionism was seen as the natural economic defense against capital flight and domestic industry destruction caused by the failure of the neoliberal model. Neglecting the real causes of the neoliberal failure in Latin America revolving around a series of failed economic policies, neoliberalism was seen as responsible by the majority of the population and to the advantage of the new left. And together with the historical tradition and soundness of this economic thinking, protectionism has emerged as the dominant and powerful policy orientation.

Such positions also stayed in line with the rhetorical and ideological bases of the post-liberal shift that is heavily anti-capitalist and influenced by the traditional leftist streams persistent in Latin America. However, the countries have not completely closed themselves away from international capital and investors. But while embracing the main principles of global trade and economic order they pushed harder advantage domestic industries. While this sort of protectionism does not reject the basics of international commerce, it goes along the lines of Friedrich List's ideology that justifies such policies by its inferior position in the world economic order. In her speech at the UN General Assembly in 2012, Brazilian president Dilma Rousseff stated "We cannot accept that legitimate initiatives of commercial defenses by developing countries can be classified as protectionist" which perfectly summarizes the understanding and role of protectionism.<sup>57</sup> Among the protectionist measures count heavy trade barriers, import taxes, and trade tariffs. The 2014-2015 World Economic Forum report has ranked some of the countries in South America at the bottom of trade openness and trade tariff limitations. In trade tariffs, Brazil placed 118<sup>th</sup>, Argentina

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<sup>56</sup> Boianovsky, M. (2013). Friedrich List and the economic fate of tropical countries. *History of Political Economy*, 45(4), 647-691.

<sup>57</sup> Rousseff, Dilma. (2012). Speech during the United Nations' General Assembly. New York.

108<sup>th</sup>, and Venezuela 125<sup>th</sup> out of 144 countries. In the prevalence of trade barriers, Argentina was in the second to last 143<sup>th</sup> place with Venezuela 138<sup>th</sup>, Bolivia 137<sup>th</sup>.<sup>58</sup>

Moreover, another goal of this protectionism was to prevent further foreign exploitation of natural wealth and stop its extraction without benefiting the home population. The two ways a country can protect against foreign natural resource extradition are to impose heavy royalty taxes on foreign companies or to simply nationalize them. Protectionism was also complemented by the indigenous movements in Bolivia and Ecuador, where it aimed to prevent ecological damage and destruction to the habitable zones of the indigenous population. The various cases of nationalization of international companies serve as a good example. Venezuela took over Exxon Mobile assets in 2007 and all country's gold mines under during the presidency of Hugo Chavez, Argentina has nationalized Spanish oil company YPF, and Ecuador nationalized its mining industry while Bolivia nationalized electric operator Red Electrica or the Brazilian Petrobras, Canadian silver mines and another four electric companies.<sup>59</sup> The main reasons would be not only to protect the industry but also to ensure a significant income of dollars for economies guarded against foreign direct investments by protectionist policies. Other such measures would be royalty taxes and export taxes, with Bolivia introducing an 18 % royalty tax and a 32% direct tax.<sup>60</sup> The analysis of the economic policies across Latin America by Ricardo Rozemberg and Romina Gaya showed that with the exception of Colombia, all South American countries imposed restrictive measures against foreign interests, with trade barriers in the agricultural and manufacturing sectors (especially machinery and textile) being the most frequent. And between 2008 and 2010 Argentina imposed the most trade barriers with Brazil coming in at the second place.<sup>61</sup> The nature of economic policies, high tariff barriers, and other protectionist measures only reinforced the role of the state. We can, therefore, qualify protectionism as a major force of the post-liberal shift. It is a

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<sup>58</sup> World Economic Forum (2014). The Global Competitiveness Index 2014-2015. Available at <http://reports.weforum.org/global-competitiveness-report-2014-2015/wp-content/blogs.dir/54/mp/files/pages/files/tables3-7-wef-globalcompetitivenessreport-2014-15-2.pdf>

<sup>59</sup>The Globe and Mail (2012 July 11). Nationalization in Latin America. *The Globe and Mail*. Retrieved from <http://www.theglobeandmail.com/report-on-business/industry-news/energy-and-resources/nationalization-in-latin-america/article4409002/>

<sup>60</sup> Benton, A. (2008) 'Political Institutions, Hydrocarbons Resources, and Economic Policy Divergence in Latin America'. Paper presented at the American Political Science Association Annual Meeting, Boston, MA (28–31 August).

<sup>61</sup> Rozemberg, R., & Gayá, R. (2010). 3 Global Crisis and Trade Barriers in Latin America. Managed Exports and the Recovery of World Trade: The 7th GTA report, 33.

factor that shows us a basic characteristic of the nation-states in South America, one that determinates the nature of the regional dynamic and, therefore, has consequences on security cooperation.

### The failure of neo-functionalism

The neo-functionalist theories see integration as a way to protect and enforce national interests. Such an approach was seemingly ideal for the nationalistic but opening economies of the Southern Cone. The neoliberal period, transfer to democracy and impressive appeasement between the two biggest regional rivals, Argentina and Brazil, have created almost perfect conditions for a traditional integration project in the Eurocentric sense and the likes of the European Union. But as the both countries could not surpass their traditional nationalistic economic policies and avoid protectionist measures the whole project failed to reach what it was set to do. There are several reasons for the failure that give us an important understanding why neo-functionalist type of integration is prepositioned to fail in South America. Firstly, it is the nature of Brazil's foreign policy, secondly, the previously discussed protectionism and thirdly state-sovereignty and nationalism that prevented any sensible institutionalization.

The described dynamic of the 1990s led to a creation of an EU-styled Mercosur integrating Brazil, Argentina, Uruguay and Paraguay with goals to establish a common market, free movement of goods and a new trading block in Southern Cone of South America. But this project, despite its ambitions, had been as well full of ambiguous integration processes dominated by national interests and protectionist measures. In Mercosur, Brazil has turned the member countries into its major markets for its vast domestic industry, but without any interests of truly committing to mutual interdependence. In January 1999 with another financial crisis looming over the country, Brazil devalued the real.<sup>62</sup> Mercosur members became too expensive for the Brazilian market and in the change Brazil's cheap exports could dominate the ones of Argentina, Uruguay, and Paraguay, effectively worsening their economic situation. Andres Malamud has described the neo-functional failure of Mercosur as the bloc clearly failed to meet its integration goals, by rather increasing border barriers, tariffs obstacles for trade.<sup>63</sup> Argentina has been seen as the principal

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<sup>62</sup> Tonelson, Adam. (2002 August 15). Brazil: Model Economy or Model Deadbeat? *Alexander Hamilton Institute for International Trade*.

<sup>63</sup> Malamud, A. (2012). Sovereignty is back, integration out, Latin America travails with regionalism. *The State of the Union (s), the Eurozone crisis, Comparative Regional Integration and the EU Model*, Universidad de Miami, 177-191. (pg. 181)

reason for the growing protectionist measures within the bloc by successfully blocking the EU-Mercosur bilateral trade agreement negotiations since 2000s, with the goal of protecting the preferential access of Argentine goods to Brazilian market.<sup>64</sup> The conflict between Uruguay and Argentina over the pollution from the Botnia paper mill in Rio de Plata affecting diplomatic, economic and public bilateral relations showed that even geopolitically, the project did not creating a firm integration. Brazil from the point of a hegemon is also guilty of adopting protectionist policies by countering free trade cooperation within Mercosur with a set of trade barriers.<sup>65</sup> And the list goes on, Paraguay has asked for higher payments for the Brazilian-Paraguay operated hydroelectric plant at Itaipu and Argentina unilaterally imposed safeguards and other defensive trade restrictions on a number of Brazilian manufactured goods that would be normally exported through the free-trade area of Mercosur.<sup>66</sup> During the 2000s the former neoliberal and free trade oriented organization became suddenly rather than an economic alliance a political and ideological organization highlighted by the accession of Venezuela and an abandonment of the economic agenda substituted by an ideological one. While Venezuela is a “full member in the accession process” due to the absence of Paraguay’s ratification of its acceptance, the regional bloc has stopped further integration or economic cooperation. The post-liberal ideological unity of Argentina, Venezuela and Brazil created a sense of a new identity, but the statesmen struggled with its concept in the matters of integration. While demonstrating their political, leftist and anti-Western unity, they hide their distrusts within Mercosur. Brazil has been as well reluctant in relegating national power by creating a supranational Mercosur institution.<sup>67</sup> The expected spillover effect did not occur as it had nowhere to spill to with the absence of institutionalized integration. Rather it has gone through a spill around effect by amplifying its cooperation through cultural, infrastructural, political and security areas<sup>68</sup> but without any change of its principles or authority it was left powerless. Mercosur was a key integration experience that had clearly hit its

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<sup>64</sup> Bouzas, Roberto, Pedro da Motta Veiga and Ramón Torrent (2002) “*In-depth analysis of Mercosur integration, its perspectives and the effects thereof on the market access of EU goods, services and investment*”, Report presented to the Commission of the European Communities, Observatory of Globalization, Barcelona.

<sup>65</sup> Schirm, S. A. (2007, May). *Emerging power leadership in global governance: Assessing the leader-follower nexus for Brazil and Germany*. In ECPR Joint Sessions of Workshops. Helsinki, May (pp. 7-12).

<sup>66</sup> Almeida, P. and H. Johnston (2006) ‘Neoliberal Globalization and Popular Movements in Latin America’, in H. Johnston and P. Almeida (eds) *Latin American Social Movements Globalization, Democratization and Transnational Networks*, pp.3–18. London: Rowman & Littlefield.

<sup>67</sup> Best, Edward. (2005). *Supranational institutions and regional integration*. presented at ECLAC/UK workshop, Lima.

<sup>68</sup> Malamud. (2012). pg. 179



limits in the South American space. With the efforts to extend the organization across the region failing, Brazil embarked on another integration project, the UNASUR.

### UNASUR and its political agenda

UNASUR represents the new type of a regional project. The previous regional integration failures have led to a new approach to regionalism in South America that is much more open. Its process is slow and very gradual, revolving around unspecific forms of cooperation and integration without any serious pressure or commitments based on the previous integration failures and unwillingness of the nations to cede sovereignty. The reasons for that is that UNASUR is built in the context of the post-liberal dynamic. The organization's main goal has been to create a regional project that would be built on the South American values and identity, represent South American autonomy without any extra-regional interference and create a unifying South American identity. A key change difference between UNASUR and Mercosur has been avoiding any associations or parallels with European Union.<sup>69</sup> While Mercosur integration had economic motivations, UNASUR has mainly political ones.<sup>70</sup> The economic integration is subordinated to the geopolitical, ideological and security dimension.<sup>71</sup> The economic dimension of the UNASUR had almost completely disappeared with the political, social, defense and security dominating the agenda.<sup>72</sup> Unlike the early motivations for the creation of a South American body creating a free-trade area, common market or its own currency, the final 2008 Constitutive Treaty of UNASUR avoided any wording reminiscing such an economic integration. The priorities mentioned in the establishing UNASUR treaty include *“political dialogue, social policies, education, energy, infrastructure, financing and the environment, among others, with a view to eliminating socioeconomic inequality, in order to achieve social inclusion and participation in civil society, to strengthen democracy and reduce asymmetries within the framework of strengthening the*

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<sup>69</sup> Diamint, R. (2013). Regionalismo y posicionamiento suramericano: UNASUR y ALBA/Regionalism and South American orientation: UNASUR and ALBA. *Revista CIDOB d'afers internacionals*, 55-79.

<sup>70</sup> Saraiva, M. G. (2012). Procesos de integración de América del Sur y el papel de Brasil: los casos del Mercosur y la Unasur/Integration processes in South America and the role of Brazil: the cases of Mercosur and Unasur. *Revista CIDOB d'afers internacionals*, 87-100. (pg. 93)

<sup>71</sup> Saraiva (2012) pg. 92

<sup>72</sup> Sanahuja, J. A. (2012). Regionalismo post-liberal y multilateralismo en Sudamérica: El caso de UNASUR. El regionalismo “post-liberal” en América Latina y el Caribe: Nuevos actores, nuevos temas, nuevos desafíos, 19. (pg. 8)

*sovereignty and independence of the States.*”<sup>73</sup> The four major institutions: the Council of Heads of State and Government, Council of Ministers of Foreign Affairs, Council of Delegates, and the General Secretariat are supported by various other specific committees, but most importantly, by eight thematic councils focused on infrastructure, energy, security, health and technology innovation.

One of its main goals mentioned in its charter is “reinforcing regional cooperation for the sovereign control of natural resources”.<sup>74</sup> Energy is central to South American development, with many countries still struggling with reliable energy supply as millions of people, were lifted out of poverty and given access to utilities. But together with the nationalization of natural resources, this area rather experiences disintegration. Almost all energy companies in South America lay in the hands of the state with the giants like the Venezuelan PDVSA or Brazilian Petrobras being used to achieve geopolitical goals. With the states being increasingly energy interconnected, this is rather a bilateral development than a multilateral integration effort and given the regions nationalistic dynamics, it had led to various conflicts. A study of the Economic Commission for Latin America and the Caribbean in 2010 have even issued a special report analyzing the points of energy conflicts in South America. The binational hydro plants Itaipú between Paraguay and Brazil and Yacyreta between Paraguay and Argentina has caused conflicts over the consumption shares with low-consuming Paraguay. Tensions and standoffs over the gas sale and gas exploitations between Chile, Bolivia, Argentina and Brazil are other points of energy conflict.<sup>75</sup> Such an environment is rather demonstrating a dynamic of competition and confrontation in the energy sector than integration. This is mainly caused by the securitization of natural resources.<sup>76</sup> While we might see bilateral cooperation, the multilateral one has been absent. Energy integration in

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<sup>73</sup> UNASUR Treaty (2008 March 23). Brasilia, Brazil

<sup>74</sup> UNASUR Treaty (2008 March 23). Brasilia, Brazil

<sup>75</sup> CEPAL. (2010) *Puntos de conflicto de la cooperación e integración energética en América Latina y el Caribe*. División de Recursos Naturales e Infraestructura.

<sup>76</sup> Sanahuja, Juan A. & Verdes-Montenegro Escanez, Francisco J. (2014), Seguridad y defensa en Suramérica: regionalismo, cooperación y autonomía en el marco de UNASUR. In *Anuario de la integración en América Latina y el Caribe 2014*. pg.520

South America is rather a myth and has been used to promote national companies and to extend their markets.<sup>77</sup> Yet, another sign of integration being hijacked by national interests.

The infrastructural projects have been at the forefront of the organization. Mostly due to the Brazil's leadership that sees infrastructure as essential to extend access to regional markets for their industry. However, despite the extensive planning, numerous studies and project proposals and plans, this sector has not delivered. The UNASUR's Council of infrastructure ministers (COSIPLAN) that meets annually has announced in 2014 that only 31 or 17% of the planned projects are being carried out.<sup>78</sup> And after the last year's UNASUR Summit this number of projects have been cut to 5.<sup>79</sup> The major project, the bi-oceanic railway that would connect the Peru's Pacific coast with Bolivia and the Atlantic and the Brazil's biggest South American port, Santos, had also caused some traditional rivalry. Peruvian president Ollanta, denying the China-financed corridor would pass through Bolivia while La Paz answered that it was planning its own bi-oceanic corridor. Considering the economic benefits of such a corridor for the region's trade with China, despite the mutual interests, the inherent nationalism caused some disagreements.<sup>80</sup> The first large infrastructural projects resting on Chinese financing is still in the planning period with an anticipated finalization in 2024.<sup>81</sup> Needless to say, the infrastructural component of UNASUR integration lacks as well.

In the areas of security, the positioning of UNASUR has been to expunge the United States dominance. The workings of the UNASUR's security body, the South American Defense Council, will be discussed in the security chapter, but it fits to underline that it is aimed at enforcing mutual

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<sup>77</sup> Mansilla, D. (2011). Integración energética y recursos naturales en América Latina. Publicado en la Revista del Centro Cultural para la Cooperación Floreal Gorini. 4(11)

<sup>78</sup> Consejo Suramericano de Infraestructura y Planeamiento. (2014 December 4). Agenda de Proyectos Prioritarios de Integración: Informe de Avance. UNASUR. Available at [http://www.iirsa.org/admin\\_iirsa\\_web/Uploads/Documents/api\\_informe\\_avance\\_2014.pdf](http://www.iirsa.org/admin_iirsa_web/Uploads/Documents/api_informe_avance_2014.pdf)

<sup>79</sup> Brazilian President has affirmed after the 8<sup>th</sup> UNASUR Summit on December 4<sup>th</sup> 2014 that member states have agreed to drastically reduce the number of multilateral infrastructural projects from 33 to 5 or 7. Retrieved from <http://www.valor.com.br/internacional/3806750/dilma-diz-que-obras-de-infraestrutura-da-unasul-caem-de-33-para-5-ou-7>

<sup>80</sup> Imana, Gabriel. (2014 December 8). Unasur priorizará el corredor bioceánico que incluye a Bolivia. *La Razon*. Available at [http://www.la-razon.com/index.php?url=/economia/Unasur-priorizara-corredor-bioceanico-Bolivia\\_0\\_2176582349.html](http://www.la-razon.com/index.php?url=/economia/Unasur-priorizara-corredor-bioceanico-Bolivia_0_2176582349.html)

<sup>81</sup> Iniciativa para la Integración de la Infraestructura Regional Suramericana. Available at [http://www.iirsa.org/proyectos/detalle\\_proyecto.aspx?h=1351](http://www.iirsa.org/proyectos/detalle_proyecto.aspx?h=1351)

trust, region's security autonomy, and non-intervention and are built on state-centric and inter-governmental security cooperation. The establishment of a South American School of Defense has been one of its biggest successes, and its principle focus on protecting each other's sovereignty did not produce much of meaningful integration or cooperation either.

The union's vision of democracy promotion is one rejecting any active form of interference. During the 2008 recall referendum in Bolivia, UNASUR was reluctant to intervene against its non-interference principle. The anti-US motivations of Venezuela and Ecuador to contain the US's interference pushed it to action led by Brazil, in a true multilateral manner.<sup>82</sup> While this was a remarkable achievement that showed how various interests of diverse countries can be put together, it was also the last time UNASUR effectively intervened. Since the establishment of the Electoral Council in 2011 the organization has monitored the various election, including the ones in Venezuela in 2013. However, the lack of effectiveness to promote and ensure democracy or to resolutely have any impact is probably best shown during the crisis in Venezuela in 2013, 2014 and 2015. While it has voiced support Hugo Chavez's follower Nicolas Maduro in during contested and narrow election win in 2013, it remained silent to the deaths of protesters in 2014 as demonstrations spread. The clearly politically motivated long-term detentions of opposition leaders Leopold Lopez or Caracas Mayor Antonio Ledezma were left without UNASUR's attention. Like the economic crisis and anti-governmental protests rose up again in winter 2014 and 2015, the international criticism of Maduro's regime for human rights abuses and democracy infringement did not lead UNASUR to take action. While the special UNASUR commission was sent to Venezuela to assess to promote democracy and dialogue with the opposition, it has rejected to meet with the jailed opposition leaders or pay any attention to the anti-governmental voices in the country. However, as White House named Venezuela a national security threat amid heightened tension and diplomatic shoot off, UNASUR was quick to denounce such a measure and criticize firmly the United States. The inter-governmental nature of the organization leaves it up to the individual influences by the governments, or even to the character hijacking that use the institution for their geopolitical goals or to advance national interests. The non-interference principals and state-sovereignty protection unable UNASUR to be promoting democracy consistently and in an unbiased manner.

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<sup>82</sup> Sanahuja (2012). pg. 21

The failure to advance this regional projects can be showed by the low levels of institutionalization. All the UNASUR councils are of an inter-governmental nature, and there is no elected parliament or representation. The leader of the organization, Secretary General, is elected by the Council of Foreign Ministers for 2 years with the seat in Quito. He oversees the functioning of the organization, yet the working sectorial councils work in an inter-governmental model and every country looks for something else in the project. Colombia to increase its weak Latin American ties and diversify its US oriented foreign policy, smaller countries like Uruguay, Paraguay or Ecuador can gain international recognition through the organization, Brazil see an opportunity to consolidate its regional leadership and Venezuela seek regional backing against the ‘common’ enemy of the United States. The variety of ideologies and national interests had to be coped with. In order to accommodate such a diversity, where every country is searching something completely different, the UNASUR was created to be flexible, non-binding and with low demands.<sup>83</sup> This type of integration, however, does not mean there is a common agenda, but quite the opposite. To pass any legally binding move, a unanimous vote must be reached. UNASUR is a place of a dialogue, not for a supranational consensus, which is particularly weakening. The inter-governmental and autonomous nature of the organization is ensured by the low levels of institutionalization. While the institution has just created a new majestic organization’s headquarters in Quito, Ecuador, it still lacks the adequate infrastructure and communication channels.<sup>84</sup> UNASUR an intergovernmental body with a low levels of institutionalization in order to protect national autonomy.<sup>85</sup> UNASUR is then rather as ‘regional governing instrument’ than an integration body.<sup>86</sup>

## Conclusion

The historical developments, the nature of the export-based economies, socio-economic structure, and the state-centric post-liberal political shift have created an environment, in which the traditional liberal free-trade economic integration is not possible. Based on such realities

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<sup>83</sup> Sanahuja (2012), pg. 8

<sup>84</sup> Pothuraju, Babjee. (2012). UNASUR and Security in South America. *Institute for Defence Studies and Analyses (IDSA)*, New Delhi.

<sup>85</sup> Saraiva (2012), pg. 88

<sup>86</sup> Saraiva (2012), pg. 94

UNASUR had to adapt its integration model according to the regional culture to attract interested from all the countries. Subsequently, the political dynamic, revolving around the discussed return of the state, protectionism, and strong nationalism have led to a Westphalian regional order. With UNASUR embracing this dynamic and staging its principles on it, the centrality of non-interference and state-sovereignty dictates the inter-governmental and non-institutional integration without the economic component, as the only acceptable possibility. Such an integration, however, lacks a consensus, political power, and the necessary drive to push through any integrational and cooperation projects. The absence of spillover effect leading to the spill around effect as described by Andres Malamud is one of the malfunctioning of the UNASUR. And while the Critical Theory correctly sees the new regionalism as rejecting the neoliberal order, it does not get rid of the expectations of the supranational integration. But unlike the Security Communities or the Regional Security Complex Theory, Mohammed Ayoob is not expecting an institutionalized neo-functional integration, the Third Worldism is not expecting regionalism to lead to integration at all. With the diversity of goals and dominance of national interests the inter-governmental model debilitating independent institutional initiatives leaves the organization in the hands of strong presidential systems of South America and occasional country's interests and without the traditional integrationist trajectory.

## **THE POWER CLUSTER: THE HEGEMONIC CONTEST**

South America has been traditionally dominated by outside powers, firstly the colonial European countries and then by the hemispheric and world hegemon, the United States. Such a power set up has effectively prevented any regional power to become confidently a regional leader. As the world's power game transferred from a bipolar, then a unipolar to a multipolar setup, the geopolitical situation has changed in South America accordingly. The realist thought sees power relations and strength of hegemonic powers in the region as determinant. Barry Buzan's Regional Security Complex Theory understands the role of extra-regional hegemons as the one that constantly intervenes and projects its interests in the area. However, the emancipatory and autonomous drivers described by Critical Theorists don't see global powers as the main factors in constituting regional security order, but quite contrary, they describe the new regionalism mainly as an effort to reject this influence. Somewhere in between stands Mohammed Ayoob with his

subalter realism and Third Worldism that see external powers as always-intervening, but it is the regional pivotal power that constitutes regional security order. This chapter will analyze the prospects of both. Firstly, the role of extra-regional powers will be discussed in the context of the changing dynamics of the traditional United States presence and growing Chinese activities. Secondly, the prospects of Brazil as the regional hegemon will be examined.

### **Extra-regional influences**

As mentioned above the anti-US and anti-imperialist stance is essential for the post-liberal shift and the UNASUR. We can go deep in the history to track the level and form of the US influence in the region. The Monroe doctrine perfectly justified the United States involvement with superficial concerns over Latin American sovereignty from European nations. With the debt crisis that has spread firstly in 1982 from Mexico to the later ones in Argentina, Bolivia, Brazil or Chile caused by the Washington consensus, the US could not offer any viable alternatives anymore. The rejection of the omnipresent US influence was long-time in the making and in a certain way, we can see many parallels with the Cuban revolution. The US hegemony of over 170 years seemingly ended. As the US focused on two wars in the Middle East, fight against terrorism and Obama's announced pivot to Asia-Pacific, Washington's traditional backyard enjoyed little focus. While the US disinterest was certainly a factor in allowing the South American autonomy to surge, the anti-imperialist context of post-liberalism has been an instrumental factor. The role of the US as the main extra-regional role has not been fully diminished but rather complemented by mainly China, and to some extent Brazil. We can mainly see this in economic terms, but also in areas of security cooperation or arms sale. This is not, however, only an issue of the United States decline, but also of Chinese and Brazilian rise.

### **The United States**

The 170 years of US hegemony gives us a plethora of examples. Starting with the Monroe Doctrine of 1823 and continued with supports to Costa Rican and Cuban independence within the Spanish-American war and creation of Panama for US geopolitical interests are among the very early ones. The United States have always had an assertive foreign policy to the region as Monroe Doctrine transformed into Roosevelt Corollary and later the Good Neighbor policy, the Kennan Corollary policy legitimized for Washington support of harsh and repressive regimes in the context of the

Cold War struggle.<sup>87</sup> The list of CIA backed governmental overthrows is vast and the US policy towards Latin America was built on supporting right-wing authoritarian and bloody dictatorships for the purpose of blocking communist or any leftist governments into power through Chile, Argentina, Uruguay, Brazil, Mexico or Central America.

The influence of the United States has continued in the 1990s through the Washington Consensus. As all the countries have essentially aligned with the US, there was a very little idea that some other world power could become significant in the unipolar post-CW world order. The hegemony of Latin America was rather by default with the fall of the USSR as Peter H. Smith points out.<sup>88</sup> As the Free Trade of the Americas initiative seemed like a logical integrational regional projects led by the US and market oriented free trade thinking built up during the 1990s, this Bill Clinton's initiative found its end at the beginning of the 2000s with the complete rejection of the liberal economic order and the US leadership.<sup>89</sup> The decline in the US foreign policy focus on Latin America has been limited to occasional focus in the Central America, spurred sporadically in times of frequent the immigration and security crisis on the US-Mexican border. The engagement with Colombia, as its major South American partner, continues, but is rather an anomaly in the region. The relations with Venezuela can be described as hostile starting with the Hugo Chavez's election and continuing until today with President Nicolas Maduro, who is still trying to boost his approval ratings with cheap anti-imperialism and accusations of US's anti-governmental interventions in his country. The Free Trade Agreement of Americas has lost its major regional partner, Brazil, over the proposed high tariffs on Brazil's agricultural exports soy, sugar, and value-added ethanol and strict rules on intellectual property.<sup>90</sup> Moreover, the US-Brazil relations have been tarnished by the NSA espionage scandal, which have had severe consequences. President Dilma Rousseff has canceled the planned White House visit in 2013 aimed at preparing a bilateral trade agreement. The alleged retaliation in a form of turning down the anticipated sale of F-18 fighter jets and opting for the Swedish Grippen NGs has been the last sign of the shaky relations. The leadership of

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<sup>87</sup> Sabatini, Christopher. "Rethinking Latin America." *Foreign Affairs* 91, no. 2 (March 2012): 8–13.

<sup>88</sup> Smith, P. H. (1996). *Talons of the eagle: dynamics of US-Latin American relations*. New York: Oxford University Press. Chicago

<sup>89</sup> The FTAA started with the first summit in 1994, but as the fourth summit planned for 2005 was aborted the initiative was essentially dead.

<sup>90</sup> Grandin, G. (2010). Empire's senescence: US policy in Latin America. In *New Labor Forum* (Vol. 19, No. 1, pp. 14-23). The Murphy Institute/City University of New York.



President Lula and his protégé Rousseff keeps Brazil's foreign policy focused mostly towards the BRICS and the Global South – countering the United States regional dominance.

It needs to be said that UNASUR effectively serve to expulse US dominance in the Organization of American States. With the post-liberal shift, the US's foreign policy became marginalized, ineffective and caught in the Cold War techniques. The US support for Venezuela's coup in 2002 or funding of its 2008 version, Honduras coup support, Paraguay or successful coup in Haiti only aggravated the weakness of the US soft power. Cannot get rid of the neoliberal overlay. Military focus on Afghanistan and Iraq, pivot to Asia Pacific and the change from the unilateral to multilateral world order with multiple global power centers. The shift away from Latin America and the pivot to the Middle East and Asia is explained by the fact that the region simply does not represent any conventional security threats to the United States.<sup>91</sup> And with the rise of anti-American sentiments and anti-Western rhetoric of the new leftist governments in Argentina, Ecuador and mostly Venezuela, Washington's foreign policy has been just stuck in the old set of neoliberal, democratic and human rights casket of the Cold War that does not allow for a fruitful dialogue. The leftist governments are antagonistic exactly against such a policy of superficial value defense that has only brought them pain in the history. For that, the US position towards the region is paralyzed and ineffective one. Despite that, it continues to be the major economic partner for the region. An ideal example is Venezuela, together with Cuba they represent the biggest political enemy to White House, yet, the biggest trading partner of Caracas and president Maduro's regime continues to be the United States with 40% share of the country's exports and 26% of its imports.<sup>92</sup> The trade between the United States and Latin America made up \$334.6 billion in 2014 accounting for 19% of the America's almost \$4 trillion annual external trade.<sup>93</sup> North America accounts for 42.68% of the exports to Latin America and 32.58% of its imports.<sup>94</sup> The biggest trade partners are Brazil, Colombia, and Chile. Washington has currently in force bilateral free trade agreements with Chile, Peru and Colombia. Moreover, these three countries receive military assistance. In

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<sup>91</sup> De Onis, J. (2013). Fractured Continent: The Turmoil and Promise of Latin America. *World Affairs*, 176(1), 35-42.

<sup>92</sup> See Table 1

<sup>93</sup> USCB. 2015. "US Trade in Goods by Country." Washington D.C.: United States Census Bureau. Available at <http://www.census.gov/foreign-trade/balance/>

<sup>94</sup> Data retrieved from the World Integrated Trade Solution. Available at <http://wits.worldbank.org/regional-trade-analysis-visualization.html>

Colombia, alongside with joint military training, the former \$8 billion Plan Colombia has been reduced and Washington sent Bogota \$324 million in 2014.<sup>95</sup> The US FDI to the country accounts has grown by 7% in last 3 years and was up by 15% in 2013. Chile has an extensive military cooperation with the US Army and last year received \$1.1 billion to improve interoperability between the two militaries. With the bilateral trade reaching \$32.9 billion, Santiago is one of Washington's biggest partners.<sup>96</sup> Peru's bilateral trade with the US exceeds \$10 billion and receives over \$72 million in military and development assistance, out of which \$26 million is directly aimed to fight drug cultivation and drug-trafficking.<sup>97</sup> The US presence in the region is, therefore, rather different from the Pacific Alliance members and the rest of the countries.

However, the US does not have a clear strategy to engage the countries that are not involved in bilateral agreements and is not feverously pursuing increasing its cooperation with these countries.<sup>98</sup> The US has limited much of its cooperation with regional countries to emphasizing marketization and free trade and refrains from other sources of cooperation. But with the decline of neoliberalism and turn towards a more protectionist policies the cooperation is, therefore, limited and rather sporadic.<sup>99</sup> In the last months, however, there has been a sort of a rapprochement. The 7th OAS Summit of the Americas has been widely seen as a large success for President Obama highlighted by three successful foreign policy developments. Firstly, the historical re-establishment of the US-Cuba bilateral relations, a partial Cuban opening was topped with the historical encounters of Raul Castro with President Obama at the Summit in Panama, in what has signaled a new strategy towards the region. Secondly, with White House successfully playing down the tensions over the executive order naming Venezuela a US national security threat, President Obama has shaken hands with Nicolas Maduro, in a move signaling what the new policy towards Latin America could be in the future – one of a dialogue that transcends the major differences. And thirdly, the encounters with the Brazilian President Dilma Rousseff and setting a

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<sup>95</sup> Official US government data retrieved from <http://www.foreignassistance.gov/web/rgainintro.aspx>

<sup>96</sup> Meyer, P. J. (2014). *Chile: Political and Economic Conditions and US Relations*. Congressional Research Service, Library of Congress.

<sup>97</sup> Taft-Morales, M. (2013). *Peru in Brief: Political and Economic Conditions and Relations with the United States*. Congressional Research Service, Library of Congress.

<sup>98</sup> León-Manríquez, J., & Alvarez, L. F. (2014). Mao's steps in Monroe's backyard: towards a United States-China hegemonic struggle in Latin America?. *Revista Brasileira de Política Internacional*, 57(SPE), 9-27.

<sup>99</sup> Manríquez & Alvarez (2014), pg. 14

firm date for the new state visit of the Brazilian leader in Washington has opened the new period of US-Brazil bilateral relations, one that will make a use of Brazil's economic crisis to advance the trade agreements and economic cooperation. Moreover, the United States is likely to increase their traditional political and economic influence. As the post-liberal economic model becomes to being exhausted in Argentina, Venezuela, and Brazil, the opposition is set to return to power in all the three countries. And it is an opposition that openly signals strengthening of economic and political ties with the United States.

The US lacks the tools to fight the Chinese presence in Latin America, as it fails to offer anything new and different from the neoliberal proposals of the 1990s around free trade agreements, privatization and focus on democracy.<sup>100</sup> Such an approach has failed in the 1990s and was one of the principal origins of the post-liberal shift. As Washington has not readjusted its policy towards the region with the new normal of being a leftist protectionist governance, it is complacent in deepening relations with the more market-oriented countries and staying indifferent to the ones with more protectionist leanings. However, the electoral cycles will sooner or later swing new governments into power in countries like Brazil, Argentina and likely Venezuela, that will not stay away from a more profound cooperation with the world's most powerful economy and a regional neighbor. The United States cannot fully substitute the Chinese economic role in the region as they cannot replace the Chinese primary sources demand. But while the political assertiveness of White House declined in the region, the economic presence continues to prevail. The signaled change during the OAS summit will take a long time. However, Argentina's hopeful presidential candidate, the right-wing businessman Mauricio Macri, Brazil's political debacle of the leftist Workers Party and Dilma Rousseff, and Venezuela's economic deterioration, opposition unification and upcoming election are set to completely change the political landscape of South America. Despite that, the US has lost its traditional soft power and primacy in the region due to the non-innovative policy, switch to multilateral world order, rejection within the post-liberal change, and inability ally with Brazil. While the regional political developments might improve the US position, the regional geopolitical dynamics will be characterized by the newly imprinted presence of China.

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<sup>100</sup> Manríquez & Alvarez (2014), pg. 24

## People's Republic of China

The slowing role and power of the US hegemony discussed above, fueled with the failure of the neoliberal model and the leftist shift in the region open door for a new world power to fill the hegemonic gap. Together with the Chinese economic boom, the two regions started developing strong economic ties leading to a decade of growth and lowering poverty in Latin America. The Monroe Doctrine seemed to have a new enemy. The growth of Chinese influence has been tremendous in the last few years, but its true dimensions and implications ought to be analyzed from an economic and political point of view.

The economic influence is the most apparent one. Chinese growth and increasing demand for prime goods for its expanding construction sector, but also for food and agricultural products changed the economic models in South America. China took advantage of the absence of the traditional regional hegemon, the United States. Since the 2000s, China has vastly invested into Latin America in order to secure a source of resources for its expanding economy, construction sector, and internal food consumption. There are three major ways China is involved in Latin America economically: the growth of Chinese FDI, strong demand for raw materials and discovering new export markets for Chinese manufactured goods. Consequently, the Chinese global commodity demand increased prices of primes worldwide, making natural resources export even more significant for Latin American countries.<sup>101</sup> The natural resources exported to China from Latin America present the major part of this relationship. The classification is pretty simple, for Venezuela and Ecuador it is oil, Argentina exports 75% of its soy to China, Brazil provides iron ore, soy, and oil, as well as Paraguay or Bolivia and Peru and Chile, provides China with copper. The total trade between China and Latin America has grown 24 times between 2000 and 2013 from \$12 billion to \$289 billion.<sup>102</sup> With the total trade amounting for \$4.16 trillion in 2013, Latin America represents only 6.9% of China's trade. With South America recording a \$782 billion external trade, China represent 37% of its trade.<sup>103</sup> China has FTAs with Costa Rica, Chile and Peru and the trade between Brazil.

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<sup>101</sup> World Bank. Economic Global Prospects. (2015 January). Available at [http://www.worldbank.org/content/dam/Worldbank/GEP/GEP2015a/pdfs/GEP15a\\_web\\_full.pdf](http://www.worldbank.org/content/dam/Worldbank/GEP/GEP2015a/pdfs/GEP15a_web_full.pdf)

<sup>102</sup> Gonzales, Elizabeth. (2015 January 9). China-Latin America Trade. Americas Society: Council of the Americas.

<sup>103</sup> Data retrieved from WTO ([https://www.wto.org/english/res\\_e/statis\\_e/its2014\\_e/its2014\\_e.pdf](https://www.wto.org/english/res_e/statis_e/its2014_e/its2014_e.pdf))

Since 2005 China has provided over \$119 billion in loans to Latin American, combining for more loans in 2010 that World Bank, Inter-American Development Bank, and U.S. Export-Import Bank combined.<sup>104</sup> PRC has recently pledged more loans to Ecuador, Venezuela or Argentina. China serves as an essential line of credit to countries without access to international financial markets. The top three creditors are Venezuela, Brazil, and Argentina, with Venezuela, receive 47% of the Chinese FDI and Brazil, Argentina and Ecuador the resting 43%.<sup>105</sup> All these indicators signal the great importance of China for Latin American economy. According to the World Bank report, a 1% growth slowdown in China is associated with a 0.6% growth decline in LAC countries.<sup>106</sup> However, the relationship has a different dimension from the other side, as the Latin America is only one of the various prime goods sources fueling the Chinese economic rise as the PRC adopts a diversification policy. Additionally, Beijing's export capabilities exceed those of Latin America.<sup>107</sup> The region does not figure anywhere close to the top areas of PRC's export destinations, and the importance of the relationship is rather one-sided. Needless to say that such an economic intertwining does not come around without at least some political dimensions.

As the Sino-Soviet split pushed China towards the Third-World focused foreign policy<sup>108</sup>, the PRC was in a better and more attractive position for Latin America. Moreover, with the Nixon's rapprochement in the 1970s China was not seen hostile in Latin America. While the relations did not grow significantly between the two regions, they provided a solid base for the current Third World focus on Brazil and the post-liberal shift. Chinese growing presence in the region became apparent with the wave of official state visits of PRCs politicians in the early 2000s as a result of the Chinese economic growth and favorable political environment due to the post-liberal and many times anti-American change. The two week tour of the region in 2001 by the PRC president Jing Zemin was followed three years later by a strategic visit of the former president Hu Jintao's to Brazil, Argentina, Cuba and Chile during the APEC summit. In 2004 China received observer status in the Washington dominated Organization of American States and in 2009 it became a member of the Inter-American Development Bank. In 2012 the Chinese Prime Minister at the time

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<sup>104</sup> UN ECLAC. Division de Desarrollo Economico. Chinese foreign direct investment in Latin America and the Caribbean. (2014)

<sup>105</sup> See Graph 1

<sup>106</sup> World Bank. Economic Global Prospects. (2015 January)

<sup>107</sup> Manríquez & Alvarez (2014). pg. 18

<sup>108</sup> Kochan, Ran. (1972) "Changing Emphasis in the Non-Aligned Movement." *The World Today* 28 (11):501-508.

Web Jiabao has toured Brazil, Uruguay, Argentina and Chile, while delivering a very Latin America oriented speech pointing out to cultural similarities and sending out a message of poetic unity and joint prosperity.<sup>109</sup> The political and diplomatic interest has been backed by a series of investments and bilateral deals. Apart of the prime resources demand and manufactured goods supply the other major Chinese economic involvement in Latin America is the provision of loans to countries like Venezuela, Ecuador or Argentina that cannot access regular financial capital markets. The major difference is that PRC does not require any political and economic changes in free trade oriented economic policy, democracy or other such requirements to receive loans, like the United States or Western financial institutions, the World Bank or IMF do. It is to say that China provides loans without political conditionality<sup>110</sup> and rather focuses on offset benefits and other conditions. These conditions usually consist of some sort of export deals, debt swap or investment projects with involvement of Chinese workforce or companies. The lack of political conditionality makes the Chinese loans attractive to the new wave of post-liberal leaders, concerned with autonomy, rejecting extra-regional hegemony and with protectionist, non-liberal and sometimes authoritative politics. At the same time, it does not represent any political or geopolitical competition or preoccupations for the United States and makes the Chinese involvement purely economic and apolitical.

The discussion of the increase economic presence in China in last few years creates an inherent question of its geopolitical implications in the relation with the United States. The mentioned asymmetric economic relationship between China and Latin America has political implications. As the region plays such a small role in the Chinese economy, it does not require Beijing to have any strong political ambitions in the area. We can see that on many fronts. As we can see in the description of the loan provision from China to the regional countries without political conditionality, this is actually a major characteristic of Chinese presence in Latin America; its apolitical nature and lack of hegemonic ambitions. This apolitical nature comes not only in the lack of geopolitical interests but also from the caution before the United States. China is very well aware of the sensitivity of ‘America’s Backyard’ and acts reserved in order not to cause any tensions. These geopolitical constraints and awareness of the sensitivity of the region for the

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<sup>109</sup> Creutzfeldt, B. (2013). América Latina en la política exterior china. *Papel político*, 18(2), 599-611.

<sup>110</sup> Nolte, D. (2013). The Dragon in the Backyard: US Visions of China's Relations toward Latin America. *Papel Politico*, 18(2), 587-598.

United States is voiced in the document of the Chinese government about their approach to Latin America.<sup>111</sup> The Chinese plan of constructing a Nicaraguan canal that would rival the Panama Canal is causing many analysts work out complex predictions of a Chinese-American clash over the region. However, the reality very far from such exciting plots. With the Panama Canal representing a significant point of US power in the region, Chinese exercised much caution over spurring any conflict of interests. The Nicaragua project is completely private in the hands of a businessman Wang Jin and the Hong Kong Nicaraguan Canal Development Group that lacks political ties to the PRC.<sup>112</sup> Additionally, the PRC government has even desisted to be involved citing political sensitivity and possible geopolitical tensions with the United States in their sphere of influence.<sup>113</sup>

The preoccupation with Chinese power in Latin America is rather sporadic in Washington. Nevertheless, the Chinese presence is watched carefully by politicians and other experts.<sup>114</sup> Despite some worrisome views of Chinese involvement in Latin America, the bilateral dialogue between the governments nor any of the Congressional hearings of the powerful US-China Economic and Security Review Commission have addressed Chinese involvement in Latin America.<sup>115</sup> Therefore, even from the point of the traditional regional hegemon, the United States, there is not any serious preoccupation with the role of China in the region. Rather, it is welcomed. Thanks to the economic input of Chinese foreign direct investments and their prime resources demand is providing an unprecedented growth in the region, creating jobs and new opportunities that will ultimately benefit the United States, as the closest world power. A more economic prosperity is mutually benefiting to all parties.<sup>116</sup> Together with the apolitical nature of Chinese involvement, we can say that their pure motives are economic and without any ideological or geopolitical ambitions, as confirmed by many other researchers.<sup>117</sup> Moreover, the numerous

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<sup>111</sup> MFAPRC. (2008). *China's Policy Paper on Latin America and the Caribbean*. Beijing: Ministry of Foreign Affairs of the People's Republic of China.

<sup>112</sup> Rogers, Tim (2013 June 14). Nicaragua's Chinese Canal Plans: Fulfillment of a Dream, or Prelude to a Nightmare?. *Americas Quarterly*.

<sup>113</sup> Partlow, Joshua (2015 February 4). Can a Chinese billionaire build a canal across Nicaragua?. *The Washington Post*

<sup>114</sup> President Obama has pointed out to Chinese activities in one of his presidential campaigns in 2008 as Hillary Clinton has pointed to Iran, China and Russia gaining leverage in Latin America in 2009.

<sup>115</sup> Manríquez & Alvarez (2014), pg. 22

<sup>116</sup> This particular view has been described by Arturo Valenzuela, the Assistant Secretary of State for Western Hemisphere Affairs. People's Daily. (2010 August 19). "China 'not a threat' in L. America". *People's Daily Online* Available from <http://english.peopledaily.com.cn/90001/90776/90883/7109092.html>.

<sup>117</sup> Manríquez & Alvarez (2014), pg.

statements, analysis and hearings from the US politicians that carefully watch China's activities in the region confirm that. The first reason is the economic mutual benefit. Charles S. Shapiro, assistant secretary of the Bureau of Western Hemisphere Affairs, has confirmed in the 2005 Senate hearing that United States encourage China's economic activities in the region as they will lead to a prosperous economic environment.<sup>118</sup> Essentially, it does not matter if the United States are #1 or #2 economic partner, the investments and input that China provided to the region benefit and will continue to benefit the United States. The analysis of Chinese economic activity in Latin America by Kotschwar, Moran and Muir has showed that investments in the extraction sector help the overall economy and contribute to the overall economic welfare and development.<sup>119</sup> In order to not raise any tensions, China has been engaging in a dialogue with Washington over Latin America to manage their economic intrusion into the US sphere of influence. Since 2006 Beijing and Washington have been engaged in a dialogue over the region that has started with at-the-time US assistant secretary for Western Affairs, Thomas Shannon, during his visit to PRC in 2006. The sixth such dialogue took place in November of 2013 with the secretary for Western Affairs, Roberta Jacobson, stressing the positive side of Chinese involvement in the region, without any threat to the United States and signaling a growing partnership with PRC over the region.<sup>120</sup> A study for the 2008 Senate's Committee on Foreign Relations hearing described the years of Chinese economic activities as positive and posing no threats whatsoever to the US interests in the region, as United States remain the predominant political, economic and cultural actor, which is unlikely to change due to the geographic proximity.<sup>121</sup> Militarily, China has been reserved as well. The 2005 Senate hearing has had Rogelio Pardo-Maurer specifically point out that "There is no evidence of Chinese interest in establishing a continuous military presence in the region, nor is there evidence that Chinese military activities in the Western Hemisphere, including arms sales,

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<sup>118</sup> Report from the hearing available at <http://www.gpo.gov/fdsys/pkg/CHRG-109shrg28258/html/CHRG-109shrg28258.htm>

<sup>119</sup> Moran, T., Kotschwar, B. R., & Muir, J. (2012). Chinese Investment in Latin American Resources: The Good, the Bad, and the Ugly. *Peterson Institute for International Economics Working Paper*, (12-3).

<sup>120</sup> Xinhua News (2013 November 13). China's Latin America presence not a threat: U.S. official. Available at [http://news.xinhuanet.com/english/indepth/2013-11/13/c\\_132885430.htm](http://news.xinhuanet.com/english/indepth/2013-11/13/c_132885430.htm)

<sup>121</sup> Congressional Research Service (2008). China's Foreign Policy and 'Soft Power' in South America, Asia, and Africa. A Study prepared for the Committee on Foreign Relations of the U.S. Senate by the Congressional Research Service, Library of Congress, April, 2008



at this time pose a direct conventional threat to the United States or its friends and allies”.<sup>122</sup> While military sales of China has been growing as it recently became the number three world’s arms exporter after Russia and the US<sup>123</sup>, the sales of military equipment are rather limited and focused on the countries like Venezuela, Ecuador or Bolivia.<sup>124</sup> Moreover, when countries opt for Chinese weapons, they usually do so because of the financial restriction.

There has not been a direct confrontation either in another essential industry for the United States, in oil extraction. Considering the influence petroleum has had on the United States foreign policy in the past, the oil trade has been seen by many as a zero-sum game, under which logic one barrel for China would be one less barrel for the US. However, with many financial agencies estimating the energy self-sufficiency of the United States within five or ten years, the influence of oil on US foreign policy lowers.<sup>125</sup> Moreover, new Chinese extraction of oil or other prime goods cause the higher availability of commodities on the market would still drive its price down, helping the commodity purchase of the United States, as well. Leaving out another possibility of a conflict of interests.<sup>126</sup>

Some possible issues arise occasionally. For example in Venezuela. China plays a key role in economically helping the regime of Nicolas Maduro, the current #1 regional enemy of the United States. The continuous supply of credit by PRC to the repressive regime in Caracas helps to fuel their ill-built economy that can be sustained only by such artificial injections and represents a lifeline for an authoritative government. But as some anti-American governments in the region benefit strongly from close economic ties with China, so do the countries closely tied politically and economically to Washington. We cannot see Chinese economic reliance as a geopolitical game in Latin America because it is just a natural market behavior. The growing importance of China in Latin America has its economic origins. But the geopolitical implications are rather mere and weak

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<sup>122</sup> U.S. Senate (2005, September). Challenge or Opportunity? China’s Role in Latin America, Hearing before the Subcommittee on Western Hemisphere, Peace Corps and narcotics affairs of the Committee on Foreign Relations United States Senate. Online: <http://www.gpo.gov/fdsys/pkg/CHRG-109shrg28258/html/CHRG-109shrg28258.ht>

<sup>123</sup> SIPRI (2015 March 16). Press Release. Available at <http://www.sipri.org/media/pressreleases/2015/at-march-2015>

<sup>124</sup> Ellis, R. (2011). *China-Latin America Military Engagement: Good Will, Good Business, and Strategic Position*. Carlisle, PA: Strategic Studies Institute.

<sup>125</sup> Deloitte, Bloomberg or Exxon Mobil have all estimated US energy independency by 2025, 2035 or 2020, respectively.

<sup>126</sup> Nolte, D. (2013). pg 590

consequences. Moreover, as summarized by Detlef Nolte, the rise of Chinese presence in Latin America is rather a sign of US hegemony decline in the region than Chinese assertiveness.<sup>127</sup>

The three major ways of Chinese economic involvement in Latin America, the FDI, prime resources demand and manufacturing export, are not creating a need for a political pressure nor creating a conflict of interests. They exploit some opportunities without any unnecessary assertiveness and with caution. The motivations are then economic and rather apolitical as China does not seek to create a counter-hegemony. While we can see economic interests, they are not as essential to PRC to drag them into a geopolitical play, neither does the United States see it as its challenge in any field. The mutual coexistence of the two world's greatest powers in Latin America creates a unique environment and partnership. Even with the Chinese economic slowdown, their presence is here to stay. Yet, it would be silly to think, that other nations do not have any influence in the region. The extra-regional power presence in South America is not without a clear and leader and unchallenged hegemon. While both the USA and PRC influence the region in a different manner, it is not a mutually exclusive relationship. However, it is a relationship that does not let for such a hegemon to establish itself as the primary power. This goes along the global developments where the world order is rather multipolar. In such an environment, the power or a regional hegemon comes into play and should assume the natural leadership as the global overlay lowers.

### **Brazil's prospects as a regional power**

The role of a regional power is mainly stressed by Mohammed Ayoob, but plays an important role for Buzan's RSCT. While Ayoob sees a pivotal power as a precondition for creating a regional security order, Buzan with his rational background sees it as problematic in conflict with global powers. Brazil is the clear leader in the South America and de facto creator of the UNASUR and CDS. Their leadership abilities and potentials will be analyzed through the set of requisites named by Ayoob, but also some mentioned by regional hegemony expert Stefan Schirm. Such a power has to possess the aspirations and willingness backed by a sufficient potential that spreads across economic, military and political power. This has to be supported by a degree of legitimacy in the eyes of other regional powers.

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<sup>127</sup> Nolte, D. (2013). pg 589

Brazil's role in the UNASUR's creation has been from the beginning a one of a leader and protagonist with country logically assuming its leadership. This leadership comes mainly along with its international ambitions and global economic role. However, to be that leader, Brazil requires domestic stability and strong regional leadership to establish itself as a regional leader.<sup>128</sup> Moreover, during the presidency of Lula Da Silva the foreign policy of Brazil was certainly oriented to these goals. Conversely, with the presidency of Dilma Rousseff this orientation is much weaker and rather absent than under Lula.<sup>129</sup> The major threats to the Brazilian leadership are domestic political and economic instability, lack of willingness to be the paymaster, regional, ideological fragmentation and lack of common threats. Despite these challenges, Brazil figures as the apparent regional leader of the UNASUR, but the question rather is if it possesses the necessary capabilities. With the historical opportunity in the form of the United States retraction from the region, Brazil has experienced a moment of opening to rise as a regional leader. With the UNASUR excluding its regional rival Mexico, Brazil as the biggest political and economic power can utilize the organization as an ideal platform for exercising its leadership.

### Willingness and aspirations

As mentioned before, Brazil's Lula is the ideological founder of UNASUR, with Brazil playing the chief role in constructing the organization. Their willingness and aspirations to become a regional hegemon and integration leader are apparent. The Brazilian foreign policy is facing a trilemma between nationalism, regional integration, and international recognition, with these goals, are in some cases mutually exclusive. The protectionism drives Brazil to protect its own economy through offset deals, technology transfers and protective measures for their own industrial capabilities. A large part of this success, however, lays in its ability to extend the market for Brazilian goods across the whole region through its integration. The regional integration motivations are purely national. Regional integration has another role for Brazil, to increase its

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<sup>128</sup> Hirst, M. (1995). Integración regional y seguridad internacional: el caso Mercosur. *Serie Documentos e informes de investigación*.

<sup>129</sup> Vaz, A. C. (2012). Coaliciones internacionales en la política exterior brasileña: seguridad y reforma de la gobernanza/International coalitions in Brazil's foreign policy: security and governance reform. *Revista CIDOB d'afers internacionals*, 175-187.

role on the international scene as a regional leader and global power. While all these goals are interconnected, they are impossible to achieve all.<sup>130</sup>

### *International*

### *Ambitions*

If there is one clear theme in Brazil's long-term foreign policy, it is increasing international prestige and recognition. The global horizon has been always the principal goal of Itamaraty<sup>131</sup> since the beginnings of the 20<sup>th</sup> century as defined by the former Brazil's foreign minister Celso Lafer.<sup>132</sup> Brazil was the only South American country that has contributed troops to the First World War and the only one to deploy a significant contingent to Europe in the World War 2, with 25,000 soldiers. The Portuguese-speaking country has also been actively contributing to the UN missions either earlier in 1950s Sinai, Angola or El Salvador. However, its latest UN contributions were much more significant. Brazil attempted unsuccessfully to gain a WTO director general seat, by proposing Luiz Felipe de Seixas Correa for the position while playing up the Global South and Third World card to justify his candidacy. Its continuous positioning against the developed countries, their dominance of the financial world and reiteration of equality and redistribution have highlighted its international position. This message has been pursued by Foreign Minister Celso Amorim during the 2003 WTO negotiations.<sup>133</sup> During his time, Celso has pursued this message to be heard as well as stressed multilateralism in world trade as the new normal.<sup>134</sup> Brazil is trying to ample its international role through the South to South approach and by appealing to the Global South, which it is a part of, with positions against the system dominant developed countries and the West. Already in the 1967 the solidarity with other Third World countries in a fight against industrialized developed countries and aspirations for Brazil to lead Latin America to development have been expressed by president Silva in 1960s. These international and regional ambitions have been also enforced by Brazil's role to fight communism not only in Latin America, but even in

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<sup>130</sup> Sanahuja, José Antonio. "Post-liberal Regionalism in South America: The Case of UNASUR."

<sup>131</sup> Itamaraty Palace is the headquarters of Brazil's Ministry of External Relations

<sup>132</sup> Lafer, C. (2002). *La identidad internacional de Brasil*. Fondo de Cultura Económica.

<sup>133</sup> Amorim, Celso 2003: The Real Cancún, in: The Wall Street Journal 25.9.03, brazilian foreign ministry: [www.mre.gov.br/portugues/imprensa/artigos/twsj250903](http://www.mre.gov.br/portugues/imprensa/artigos/twsj250903)

<sup>134</sup> Amorim, Celso 2004: Article by Ambassador Celso Amorim, Minister of External Relations, published in Financial Times - „The new dynamic in world trade is multipolar“, in: [www.mre.gov.br/ingles/politica\\_externa/discursos/discurso\\_detalhe.asp?id\\_discurso=2436](http://www.mre.gov.br/ingles/politica_externa/discursos/discurso_detalhe.asp?id_discurso=2436) (accessed 15.06.2005)

lusophone Africa.<sup>135</sup> The same Third World message has been core to the country's aspiration for the UN SC seat, as it unsuccessfully pushed for a Security Council reform together with India, Germany, and South Africa in 2005. But even without the permanent seat, Brazil has been almost like a permanent member of the Security Council, but without the veto vote. From 1946 until today Brasilia has been a non-permanent member of the UN SC 10 times<sup>136</sup>, with almost a permanent seat since democracy was restored as it held the position in 1993–1995; 1998–2000; 2004–2006 and 2010-2012.<sup>137</sup> A perfect example of the Third World based agenda based on developmental and protectionist agenda is the Brazil's WTO win, by creating and leading a group of developing countries defending national subsidies for the agricultural sector and other various protectionist measures from the rejection by the United States and the West.<sup>138</sup> The international extent of Brazilian action is in itself representative of the Latin America and unmatched by other regional countries. However, this Latin American representation does not reflect any interests or participation of other regional countries and the global representation of the region is for Brazil to manage.

#### Protectionism vs. regional integration

Brazil's role in the region has always been different from the rest of the Hispanic countries, and it has reflected on the Brazilian exceptionalism. Brazil strikes rather for autonomy and assertive regional leadership on the international field, where its regional role will only serve to help its global standing. However, this open regionalism might be a point of criticism and divergence with the rest of South America. The assertive national interests hidden in the regional ambitions can be also seen in the area of infrastructural projects pushed forward by Brazil.

Brazil's motivations in certain aspects differ from the regional partners, which can be seen in the case of Mercosur. While the free trade zone has been for other member states the goal itself, Brazil

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<sup>135</sup> Silva Guevara, G. D. (2011). Brasil, opciones estratégicas de una potencia emergente para afirmar su liderazgo mundial. *OASIS (Bogotá)*, (16), 5-24., pg 17.

<sup>136</sup> Soares de Lima, M. R., & Hirst, M. (2006). Brazil as an intermediate state and regional power: action, choice and responsibilities. *International Affairs*, 82(1), 21-40., p. 28

<sup>137</sup> Sánchez Nieto, W. A. (2012). Brazil's Grand Design for Combining Global South Solidarity and National Interests: A Discussion of Peacekeeping Operations in Haiti and Timor. *Globalizations*, 9(1), 161-178. pg. 167

<sup>138</sup> De Onis, J. (2013 May 9). "Brazil's WTO Win." *World Affairs Journal*.

has always seen the economic integration more as a way to better access to international markets or to expand its regional exports.<sup>139</sup> A clear example is the FTA negotiations between the European Union and Mercosur that have been unsuccessfully going on since 1999, with Brazil pushing for a deal and Argentina effectively slowing the process with its protectionist stance. As Schirm points out, the Mercosur has been a perfect example of the protectionist policies as both countries have re-introduced a set of trade barriers.<sup>140</sup> Brazil has been unwilling to advance the Mercosur integration by creating a representative Mercosur institution or any binding multilateral institution for the sole purpose that it would limit their unilateral action or affect their ability to uphold protectionist policies. “Despite frequent statements in favor of Mercosur, the Lula government is showing itself rather reluctant to accept a deeper integration in a regional bloc that would share institutions which would give other member countries some tools capable of influencing Brazilian policy”.<sup>141</sup> With Brazil’s economic power and superior political or military strength in the region that pushes its aspirations on the international scene but also to become a regional hegemon comes the reluctance to give up its power to integration institutions or any democratically working bodies. Brazil is compared to Germany in many times and one such comparison is particularly grasping the Brazil’s trilemma: „Brazil dwarfs the three partners but is not rich enough to subsidize them nor willing to surrender chunks of sovereignty, as Germany has done to promote European Union“. <sup>142</sup> The conflict between the regional integration and Brazilian protectionism or even exceptionalism is a particular obstacle when it comes to regional integration. However, we should not see this as an issue pertaining to a single country. Protectionism and state-sovereignty promotion have been already identified as a major characteristic of the post-liberal integration in South America that is present in many other countries.

These issues are apparently present in Brazil’s position toward the UNASUR as well. Miriam Gomes Saraiva describes the integration attempts of Brazil as originating in the autonomist and developmentalist agenda under the presidency of Lula. <sup>143</sup> Compared to German interests protecting the European Union integration, the developmental sectors in Brazil are approaching

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<sup>139</sup> Saraiva (2012), pg. 91

<sup>140</sup> Schirm (2007), pg. 14

<sup>141</sup> Valladaõ, A. (2006, December). Brazil: An ambiguous leader. In *GIGA Conference on ‘Regional Powers in Asia, Africa, Latin America and the Middle East’*, Hamburg (pp. 11-12).

<sup>142</sup> The Economist (2004 June 12). Brazil’s Foreign Policy: A Giant Stirs, 50-51

<sup>143</sup> Saraiva (2012), pg. 96

the integration from an autonomist perspective as well in order to consolidate the regional space for the purpose of securing its markets for Brazilian industrial products, just like the Germany does in the European Union markets. As the UNASUR is heavily focused on infrastructural projects, they will assure the dominance of Brazilian goods in South America. While a completely free trade union would give an advantage to all parties, Brazil favors bilateral deals over regional ones since they eliminate competition. Brazil's defensive policies towards domestic industries, protectionism, and substitutive industrialization are in direct conflict with internationalization and regional integration.<sup>144</sup>

The problem of Brazilian-led post-liberal integration is the type of integration itself. As Brazil gathered nations behind them with a prospect of a new intergovernmental, autonomous South American project based on non-interference, the project itself is its limitation, just like Brazilian nationalism limits its true leadership in the region. However, the UNASUR or CDS needs an internationally established power to secure recognition. Brazil is the only country with such a status, and besides its obvious limitations, unwillingness or ambiguity, it is positioned in this role. UNASUR is also part of Brazil's "grand strategy" to use regional integration as the keystone of "consensual hegemony"<sup>145</sup> and to strengthen its influence in global affairs. For the Brazilian government the region constitutes a kind of "Achilles heel" because regional instability might result in the intervention of external actors – that is, the US.

### Potential, strength and material resources to be a regional leader

When talking about security we firstly have to start with assessing Brazil's military strength. Its growth in this sector can be divided into two parts: defense industry and arms sales growth and real military capability growth.

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<sup>144</sup> De Almeida, P. R. (2012). *Relações internacionais e política externa do Brasil*. Ed. LTC.

<sup>145</sup> Burges, S. W. (2008). Consensual hegemony: theorizing Brazilian foreign policy after the Cold War. *International Relations*, 22(1), 65-84.

### Military power

The defense industry has built a solid base during the 1980s military dictatorship. Despite its partial destruction during the waves of privatization and overall downturn during the period of neoliberalism in the 90s, it has been resurrected by the governments of Lula and Rousseff. The vast investments and special governmentally funded programs for the domestic defense makers together with the defense industry businesses being free from taxes make this a special area of interest for Brazil. These efforts are built on gaining technological know-how through offset contracts with a goal of reaching a sufficiency for its own military needs but also to boost its arms export. Brazil wants to lose the status of a military technology importer and become a technology development partner. Annually the country exports military technology for over 600 million USD. The National Defense Strategy of 2008 launched a process of military transformation and capacity building to reach abilities adequate to the world's 6<sup>th</sup> largest economy and to protect country's domestic and regional interest while supporting its international aspirations for a permanent seat at the UN SC.<sup>146</sup> The country's diplomatic relations revolve intensively around the defense sector and its giant acquisition schemes including arms sale deals with the industry's power horses across the spectrum from China, Russia to Sweden, France and the US. The key role the defense industry place in Brazilian foreign policy has been showed when the Brazilian-American relations worsened amid the NSA scandal and the multi-billion dollar tender for new fighter jets went to instead of the preferred US F-18s to Swedish Jas-39NGs as many blamed the bilateral relations crisis for the arms acquisition decision. As the new official White House visit of President Rousseff is being scheduled, Brazil has already stressed that besides the bilateral trade agreement, it will push hard for more extensive defense industry cooperation and new offset deals for the state-owned defense powerhouses.

The ultimate goal of the defense industry is to provide Brazil with capabilities to independently supply and build its military. Among the large acquisition programs just within Brazil's Air Force has been the purchased 108 Grippen fighter jets, development of its own military transportation plane KC-390, acquisition of 62 new fighter helicopters Mi-35 and Eurocopter , 100% domestic development of new long-range and 3D radars and creation of a complex and high-tech monitoring

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<sup>146</sup> Ministry of Defense (2008). National Strategy of Defense. Available at [http://www.defesa.gov.br/projetosweb/estrategia/arquivos/estrategia\\_defesa\\_nacional\\_ingles.pdf](http://www.defesa.gov.br/projetosweb/estrategia/arquivos/estrategia_defesa_nacional_ingles.pdf)



border systems SISFRON or SIVAM. Considering the Navy, the particular emphasis on the maritime capabilities has origins in its vast interior waters but also view that Brazil's security space includes the South Atlantic space including other lusophone countries in Africa like Angola or Guinea-Bissau all the way to the Antarctica's Strait of Magellan. The geographical extent of its sphere of interest is the driver in Brazil's construction of 5 new submarines, including a nuclear-fueled one. With 220 000 active soldiers, the defense budget of \$35.3 billion and new acquisitions worth of \$13.4 billion USD in 2014 Brazil is undoubtedly an undisputed military power in the region.<sup>147</sup> The small scope of the military acquisitions should give us the necessary picture of the Brazilian military rise.

### Economic power

The military growth would not be possible without a strong economic ground. Brazil represents an emerging global power at the international level, and regional has without a doubt consolidated its role as a regional hegemon due to its economic strength. Besides the apparent incomparable GDP size with the rest of the regional power, its economic importance for other regional powers is determinative as well. While one could expect a complete Brazilian dominance over the South American market, the picture is slightly different. While Brazil is crucial to the markets within the Mercosur's Argentina, Uruguay and Paraguay, its importance on other South American markets is insignificant. Brazil is the #1 trade partner for Argentina, accounting for over a quarter of its exports and imports. In Uruguay, it plays a similar role, but for Paraguay it is key for its cheap exports while ranking 2<sup>nd</sup> for imports to Paraguay. Bolivia is another country depending on Brazil's large market for its exports (32%) while having the country as the principal importer. Interestingly, even for Venezuela, the country is an insignificant export destination and ranks 3<sup>rd</sup> in imports behind Caracas's arch-enemy the United States and China. Its relationship with other dynamic and strong economies in the region gives us a light of a rather weak regional hegemon in economic terms. For Colombia, one of its neighbors and 3<sup>rd</sup> biggest economy in South America, Brazil does not rank in the top 5 trade partners. For Chile, the country with the highest GDP per capita in the region, it imports 6.4% of total incoming trade and for Peru only 6%.<sup>148</sup> Brazilian economic power over the region is not that clear, and its strength rather rests on the unmatched size of its economy.

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<sup>147</sup> BMI (2014). *Brazil Defence and Security Report*. Business Monitor International.

<sup>148</sup> See Table 1 for data

While Brazil is the biggest in South America, it is not the richest. Brazilian politicians would have a very hard time selling to their electoral that Brazil's regional leadership is more important than domestic development.<sup>149</sup> Moreover, the Brazilian economy is entering a complex crisis that will further weaken its economy capability to fund the regional integration and to accept the role of a paymaster.

The Brazilian economy has experienced a boom in the recent years as it cashed on the growing commodity prices and inflow of FDI. The increasing internal consumption drove the GDP growth as millions of people were lifted out of poverty due to state-funded credit and programs such as Bolsa Familia that provided direct cash transfers for poor families. However, with the economic slowdown the welfare programs cause rising budget deficit and dangerously high public debt. Additionally, the cheap credit allowed growth internal spending and injected the economy with money, but the resulting cyclic indebtedness amounting for \$208 billion in private debt, has slowed down spending and lowered the crucial internal consumption. As the economy contracts this year, the combination of inflation, growing unemployment, large public debt and overall economic sluggishness is placing Brazilian into uncertainty. Besides the political gridlock, corruption scandals and waning public support for all political parties, the country's economy faces the similar issue of Chinese economic slowdown. While different, their common problem is that both economies have experienced a remarkable long-term growth that has changed their status from a poor developing country up. However, the initial phases of constructing a functioning economy, lifting many people out of poverty and generating wealth has been surpassed. These economies now face a much harder step of economic growth, which is to build up a fully functioning middle class and expand the economic benefits to across the country while maintaining high productivity. Brazil will have to restructure its economic model in the upcoming years, meaning that its economic power will be limited to a certain extent. On the other hand, with strong production and growing technological capabilities not only in the defense sector, it could strive for a similar regional role of Germany in Europe to become a principal exporter for South America. For that, however, it will need to invest in the regional infrastructure and compete with other dynamic and more open economies of Colombia, Chile or Peru. Such a change would require a major ideological, political and foreign policy shift. Until then, Brazil's economy lack the power to take on the role of a paymaster for regional integration.

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<sup>149</sup> Malamud (2012), pg. 5

Politically, Brazil has been focusing on international and regional level on its soft power as a mean in projecting influence. Soft Power is another main trait of Brazilian foreign policy. This emphasis has had long historical roots in Itamaraty's position. Professor Gisela de Silva Guevara makes a long track of the causes and developments of this policy, that go from the inability to compete with the hard power of the United States to careful approach to Hispanic regional neighbors due to the alien position of lusophone Brazil in South America.<sup>150</sup> And even with the hard power increase in South American terms, on the global sphere, this power is not sufficient. Soft power is the leading force in Brazilian foreign policy to stay. Despite the aspirations or abilities of the Portuguese-speaking country, the next important factor is the acceptance by other countries

#### Acceptance by other countries

The acceptance by other regional countries of Brazilian leadership will be analyzed along two lines, first is the apparent attraction to the Brazil as an alternative to the United States. The second are the sources of rivalry and regional fragmentation that weaken Brazil's position as an all-accepted leader.

#### Rivalry and fragmentation

Despite the unmatched size and power of Brazil, at least geopolitically, the country faces some rivalry and competitors that might not necessarily challenge Brazil's position as a regional leader, but they limit it. While being able to garner some success on the international field, especially in relation to the Global South, Brazil's diplomatic success seems to be short of the region. The traditional rival of Brasilia has been Buenos Aires for hundreds of years. However, the diplomatic turn in the 1980s has turned the rivalry to the most extensive security cooperation in South America with multiple treaties and establishment of a nuclear-free zone in 1991. And despite the partnership between Argentina and Brazil being describe as removing all distrust and animosity between the two<sup>151</sup>, Jorge Battaglini rather describes it as an area where "the conflict has not disappeared, but

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<sup>150</sup> De Guevara (2013), pg. 29

<sup>151</sup> Hirst, M. (2004). La fragmentada agenda de la (in) seguridad regional. *Mónica Hirst, (y otros), Imperio, estados e instituciones. La política internacional en los comienzos del siglo XXI, Buenos Aires, Altamira.*

also is not imminent”<sup>152</sup>. Brazil still failed at obtaining Argentina’s support for its WTO and UN SC bids.<sup>153</sup>. So while the two countries are each other’s most important trade partners, Argentina does not support its international ambitions. Regionally, Argentina is a particular barrier for advancing Mercosur’s agenda and supports the UNASUR body only due to its founding principles of non-interference and sovereignty enforcement. Additionally, the ideological partnership between the two leftist and post-liberal governments of Kirchner and Lula followed by Rousseff, set a strong base for their cooperation. But as mentioned, the post-liberal shift has also brought a wave of protectionism and nationalism, with it being a source of camaraderie and its own limit to further cooperation. This is the overall theme of the Brazil’s position in the region.

In the Andean region, the challenges to Brazilian hegemony come especially from Colombia and in a certain sense from Venezuela. Venezuelan leadership put forward by late Hugo Chavez funded by the country’s vast oil reserves was very much built on the initial phases of the post-liberal wave. The anti-Imperialist and alternative economic order for the region proposed by Chavez seemed to be strong drive as Venezuela aimed to increase its regional leadership. But Lula’s election put Brazil on the same path. Brazil in that way served as a filter for the radical proposals of authoritative leftist leader from Caracas. By accepting Venezuela on their side, its challenger would then directly be Colombia. Not just for Venezuela, but mainly as Colombia was viewed as an extent of the US influence in the region through close military and commercial ties. An important event has been the critique of Colombia for accepting the US military presence in the country and construction of the seven military bases that has been the marking point for the fragmentation of the UNASUR.<sup>154</sup> With the ideological partnership with Venezuela and Cuba, Brazil’s post-liberal position of a rare mix between Gramsci, Liberation Theology and tradition Latin American neo-Marxism de facto saw the Colombian government as its enemy. The support of FARC in Colombia during the Sao Paulo Forum for all leftist parties is just one of the points generating conflict. The historical presence of the United States in the Colombian armed conflict presented a hegemonic obstacle. With the US support to fight the FARC the negative effect on the

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<sup>152</sup> Battaglino, J. M. (2008). Transformaciones en la seguridad internacional en la post Guerra Fría: su impacto en América del Sur/Post Cold War changes in international security: their impact on South America. *Estudios Internacionales*, 7-33. (p.3)

<sup>153</sup> Schirm (2007), pg. 8

<sup>154</sup> Purcell, Susan Kaufman. (2010 January 7) “Brazil Steers an Independent Course.” *The Wall Street Journal*.

Brazil-Colombia porous borders in the Amazonian impacted Brazil itself while preventing the country to intervene in the conflict itself. In this manner, the Colombia has been viewed as the last bastion of the United States in the region.

But the rivalry goes further. The mentioned regional fragmentation between post-liberal and leftist countries including Brazil, Argentina, Uruguay, Bolivia, Ecuador and Venezuela with the Pacific Alliance of Chile, Peru, Colombia and distant Mexico is another significant limit of Brazilian leadership. Chile as the most developed South America country and the only regional OCED member has experienced a leftist turn with the two-time election of Michele Bachelet, but the country's developed economic model built largely on copper exports has very little in common ideologically with the anti-Western accent of Brazil's foreign policy. Together with Peru, these neighboring countries show close commercial but also security ties with Washington and their geopolitical thinking is much more concerned with each other, the Pacific and the Andean regions.

Brazil's position in the region is of a standout. It is not for its geographic, economic or military power, then cultural and historic differences create division as well. Brazil is missing many of the cultural and historic points that tie the Spanish-speaking Latin America together. The country never experienced a true fight for independence as it rather gained it through a set of consequences and Portuguese empire weaknesses. For that, the idea of a united Latin America under the Bolivar's legacy is something foreign for Brazil. These cracks leave to a certain extent out of the Hispanic unity of the region. Brazil was never looked upon as the regional guarantor of security, and the United States have even prevented it to play such a role. Because of its inability to compete with Washington in terms of hard power, it has adopted the concept of soft power as its own.<sup>155</sup> With the Argentina-Brazil rivalry in the beginnings of the 20<sup>th</sup> century, Brazil had much harder times making allies among the Hispanic countries, and their focus on the international scene as means to increase their power emerged even stronger. Despite the regional rivalry, Brazil feared much more the United States influence over the region.<sup>156</sup> With the failure of obtaining a permanent seat

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<sup>155</sup> De Guevara (2011), pg. 14.

<sup>156</sup> Mares, David. (1988). Middle Powers under Regional Hegemony: To Challenge or to Acquiesce in Hegemonic Enforcement. *International Studies Quarterly*, (32)4

at the UN SC during its creation, Brazil has focused its foreign policy of the next 50 years towards gaining more regional autonomy from Washington.<sup>157</sup>

On the rather geopolitical and ideological line, Brazil certainly appeals to the Global South. Heavy economic relations with China but also cooperation with Iran and the BRICS make Brazil a part of the non-Western international alternative, attracting post-liberal nations in the region and offering a fresh and new position.<sup>158</sup> However, Brazil's ambiguity can be a double-sided sword. While it might serve to unify the region, it is can also create distrust.

Brazil's particular challenge that makes it able to offer an acceptable hegemonic leadership for South American countries is besides its non-interference emphasis its ability to balance out between two sides of the continent. The division and fragmentation of in the South American or the wider Latin American space across ideological lines are making it harder for a unification or integration across this division. The absence of a traditional common threat is not making the security integration easier. With the prevalence of non-conventional security threats in the region stretching from drug-trafficking, environmental threats and illegal immigration to poverty, the security cooperation in these areas has different dimensions and is usually absorbed by national police or other domestic bodies rather than conventional military based institutions. As the CDS is divided over the major threats to their security with Venezuela, Ecuador or Bolivia putting a classical external conventional threat in a form of the interventionism of the United States above all, the countries like Colombia, Peru or Chile recognize as the main threat the internal security issues around organized crime and drug-trafficking. However, Brazil has the opportunity to strike in between as they continue to see both sides of the table. While being a rather leftist and post-liberally oriented country with the governments of Lula and Rousseff's Workers' Party, the country sees the external threats of other regional powers as only limiting their regional and international ambition. But the real security threats Brazil is facing are internal spreading from organized crimes related to poverty in the favelas, to the Amazonian region full of narco-trafficking cartels, illegal mining groups or leftist insurgency spillover from Colombia. Brazil in

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<sup>157</sup> Bethell, Leslie (2010). Brazil and Latin America. *Journal of Latin American Studies*, 42, pg. 457-485.

<sup>158</sup> Crandall, R. (2011). The Post-American Hemisphere: Power and Politics in an Autonomous Latin America. *Foreign Affairs*, 83-95.

this way works as a filter for the radical security preoccupations of Venezuela, by still insisting on the United States threat to the region for the purpose of defending its regional leadership, but on the practical side it cooperates on facing the internal unconventional threats together with Colombia, Bolivia or Ecuador.

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### The alternative to the United States

An argument for the hegemonic opening in South America has been made earlier, together with the apolitical ambitions of the new extra-regional power, China. This has left out a geopolitical and security gap to be potentially filled Brazil. This represents a significant attractiveness of Brazil's regional leadership within the post-liberal shift, as it offers a Third World, leftist, anti-hegemonic and anti-imperialist alternative to the traditional US capitalist leadership.<sup>159</sup> Brazil does not present an external source of instability nor receives or has any territorial claims with neighboring countries.<sup>160</sup>

Brazil has the power to be the integrating force in the region within the organism cooperative security, the CDS of the UNASUR, which is something that the United States have never been able to do. A principal advantage is the ideological groundings of Brazil and the creation of the *Lo Latinoamericano* feeling, point out to the regional and cultural sense of autonomy and self-determination. The politics of Lula have been based on multilateralism, soft power and most importantly the concept of *no interference and no indifference* authored by the foreign minister Celso Amorim.<sup>161</sup> This concept has been created specifically for the unique environment in the

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<sup>159</sup> Gratius, S. (2008). ¿Hacia una OTAN sudamericana? Brasil y un Consejo de Defensa Sudamericano. *FRIDE (Fundación para las Relaciones Internacionales y el Diálogo Exterior)*. "Un ó E py é L". Madrid, Spain, 17..

<sup>160</sup> Malamud, A. (2011). A leader without followers? The growing divergence between the regional and global performance of Brazilian foreign policy. *Latin American Politics and Society*, 53(3), 1-24.."

<sup>161</sup> Saraiva (2012). pg. 96

region to combine the Brazilian integration and leadership goals with avoiding overt pressure and interference in domestic politics. As Brazil became a large military and economic power, it has automatically been put into the place of a leadership, but most importantly to act as a counterweight to the United States presence or to serve as its alternative of security assurance.<sup>162</sup>

While Brazil challenges the United States influence in the region with its military and economic growth and increasing geopolitical importance, it is not explicitly against the United States. It could be argued that Brazil gained this position rather by default with Washington failing to craft a sensible, effective and appealing foreign policy towards the region that would create a sense of autonomy, independence to the Latin American leaders while avoiding any feelings of former imperialism. Brazil meanwhile continues to be the balancing voice.<sup>163</sup> Moreover, this goes even for the US allied countries. The partnership between the anti-American countries as Venezuela, Cuba, Brazil, Ecuador or Bolivia unites the region in a way unthinkable under a White House leadership. This uniting effect makes a big difference as Brazil balances in between to be able to consolidate its leadership in the region.<sup>164</sup> However, as the principal threat to unification has been the imperialist Yankee Washington, this view is not shared by Chile, Peru or Colombia.

### Real political influence in the region

With the challenges of ideological fragmentations, rivalry, and distrust the Brazilian leadership will have to offer some managerial or political benefits to the region to succeed. The real political influence over the region is another variable useful for analyzing a pivotal power strength. In the case of Brazil, this political influence can be seen in a role of a mediator, going align with their emphasis on soft power. Brazil together with Argentina, Chile, and the United States brokered a peace deal between Peru and Ecuador in 1998. Another example of its mediator power is the civil war in Colombia. While the some sympathizing along the ideological lines with the Marxist guerrilla group are apparent, Brazil together with Cuba and Venezuela has been instrumental in assisting the beginning of peace process of this 50-year-old civil conflict. But its most significant show of leadership came during the UN mission in Haiti MINUSTAH, composed almost solely of Latin American countries, to restore democratic order and security after the 2004 coup d'état.

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<sup>162</sup> Mijares, V. M. (2011). Consejo de Defensa Suramericano: obstáculos para una alianza operativa The South American Defense Council: Obstacles for an operational alliance. *Politeia*, 34(46), 1-46.

<sup>163</sup> Saraiva (2012). pg. 88

<sup>164</sup> Barbosa, Rubens. (2011). Connecting American and Brazilian Interests. *The American Interest*. 6(6)



While Brazil has overcome regional rivalries with bilateral agreements in across various sectors including security with Argentina, but most importantly even with Colombia, their partnerships are limited to bilateral forms. On the field of the CDS or any regional platform, Brazil fails to adopt a proactive stance to multilateralism. It was mentioned before that these reservations have origins in Brazilian exceptionalism and unwillingness to cede sovereignty or power to democratic multilateral institutions. Besides playing a role in mediating relations between Venezuela and Colombia, it has failed to improve conflict between and Uruguay in 2013 over the paper mill UPM/Botnia. The political influence matches Brazil's overall ability to play the role of a regional leader. As Sean Burges points out accurately, Brazil's leadership is one of no stick or carrots and is not capable of leading the region with anything else than ideological resources.<sup>165</sup> For Brazil to be accepted fully by the regional powers and to actually advance its integration, it would have to take on the role of a paymaster. But its economic weakness prevents it from fully financing the regional projects and from consolidating the leadership role.<sup>166</sup> This can be seen in the creation of the National Economic and Social Development Bank (Banco Nacional de Desenvolvimento Economico y Social or BNDES) or the Structural Convergence Fund of Mercosur with a 70% financing by Brazilian capital.<sup>167</sup> But only an insignificant portion of the projects has been realized.

The lengthy discussion of the various variables relevant for the analysis of regional power capabilities has offered a complex picture of the prospects of Brazilian regional leadership.

The aspirations of Itamaraty are heavily focused on increasing Brazil international role through appealing to the Global South and assuming its regional leadership. Increasing its role and position in the international field has been the historical dynamic of its foreign policy. Within this emphasis, the message Brazil puts forward to achieve this goal revolves around empowering of the Global South, Third World emergence and representing developing world against the developed, imperialist, Western industrial countries. With its ideological post-liberal and leftist line, this overly appeals to the politically similar countries within the region, upon which Brazil constructs its regional integration policy. However, the trilemma between regional integration, international

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<sup>165</sup> Burges, S. W. (2006). Without Sticks or Carrots: Brazilian Leadership in South America During the Cardoso Era, 1992–2003\*. *Bulletin of Latin American Research*, 25(1), 23–42.

<sup>166</sup> See Burges (2005) and Malamud (2011)

<sup>167</sup> Saraiva (2012), p. 7

role, and nationalism produces in some ways contradictory and ambiguous positions. The protectionist and nationalist policies combined with its international recognition or even just its attempts, together with Brazilian exceptionalism and autonomism limit their own ambition of regional integration. As Brazil is unwilling to cede sovereignty, its regional integration efforts are only a means to reach larger international recognition, increase its global political power and pursue its national interests. The very key values of post-liberal integration in enforcing state-sovereignty and growth of protectionism are its own limits to this type of integration. While we can see its robust military growth that is especially apparent relatively in South American context its economy shows an uncertainty. As Brazil is rather a hesitant paymaster of the South American integration, its central soft power will not push forward the reluctant regional powers. While the country offers a nice South American alternative to the US hegemony, with promising non-interference and regional autonomy together with the Latin American feeling, the ideological fragmentation and reluctance of regional rivals makes the cultural and historical lusophone stranger an unappealing leader. Richard Hass, the director of Council on Foreign Relations, has perfectly pointed out the issues with soft power, despite it playing such an important role in the Brazilian foreign policy, the country will need hard power to become a major hegemon and strong regional leader.<sup>168</sup> Another pointy quote gets it right as De Almeida describes that “Brazil’s ‘diplomatic GDP’ is greater than its economic GDP, and the latter is certainly greater than its ‘military GDP’”.<sup>169</sup> While Brazil is undoubtedly the regional power of the South America, it shows ambiguous foreign policy aspirations, unconvincing economic strength and willingness and nationalistic motives for regional integration. Together with the inability to attract regional countries only with soft power, the ambiguous and self-oriented regional leadership of Brazil lack the economic hard power or sincere commitment to integration.

## Conclusion

The extensive debate on the power play in South America proposed a rather skeptical view of the hegemonic abilities of the major players in the region. While Chinese influence has been unprecedentedly growing it carries no political pressure or geopolitical implications. It does challenge the United States economic power and is rather a result of economic changes and

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<sup>168</sup> Remarks made during Richard Hass interview with the leading Brazilian newspaper *Folha de Sao Paulo*

<sup>169</sup> De Almeida, P. R. (2012). *Relações internacionais e política externa do Brasil*. Ed. LTC.

opportunities. The multipolar change has allowed for such a diversity and the anti-capitalist background of the post-liberal shift together with the Chinese prime sources demand has resulted in the heavy involvement of Beijing in Latin America rather by a default, than by a geopolitical calculus. As the US and Chinese political power in South America is not of a decisive regional hegemon, its economic influence is diversifying the extra-regional interference and consequently preventing any sort of dominance. With the absence of such a great power hegemon in the opposites of Barry Buzan's realist RSCT, such an environment should leave a space for the Mohammed Ayoob's ideal pivotal power naturally. Yet, Brazil's aspirations are unmatched by its economic potential while lacking a sincere inclusive commitment to regional integration or willingness to cede sovereignty.

## **SECURITY CLUSTER: THE DYNAMICS IN SECURITY COOPERATION**

The security regional order can be analyzed through various ways. Barry Buzan analyzes the security dynamics of the region security complex through traditional realist concepts of patterns of rivalry, amity and enmity, conflicts and alliances with their historical, political and cultural origins. He also classifies types of regions between the three types of Alexander Wendt's security communities, Hobbesian, Lockean, and Kantian. Mutual trust, willingness of security community members to help each other and shared commitment among states to peaceful solutions of disagreements are the main constituting factors for Karl Deutsch's security communities, but the traditional understanding of security does not take into consideration unconventional threats. With specifics of each security environment being valuable for Barry Buzan, Mohammed Ayoob describes the different effects of the security dilemma in the Third World and sees security practices as a major constituting factor of a region security cooperation. With each theory exploring different variables, the following debate with an attempt to address these factors in order to describe the security order in South America.

### **Rivalry and conflicts**

Latin America has not experienced a direct interstate military conflict since the 1995 Peru-Ecuador clash and has been rightly described as one of the most peaceful regions in the world in conventional terms. However, what is very characteristic of the region are territorial disputes.

Along those, traditional rivalries are typical for the region filled with strong nationalism. Since the patterns of rivalry, conflicts or alliances are determinant when assessing a regional dynamic, this chapter will run through the relevant ones.

While we can find historical disputes and territorial claims between almost all neighboring countries, only some remain relevant and persistent to this day. Among the relevant conflicts lays the turbulent relationship between Venezuela and Colombia that despite its calming in recent years continues to be one of the hottest ones. Other areas still with significant diplomatic issues are the borders between Chile, Peru and Bolivia. Smaller significance continues to play territorial dispute between Guyana and Venezuela. Among other rather traditional points of conflict has belonged the Peru-Ecuador conflict, wars against Paraguay, the conflict between Argentina and Chile or traditional rivalry for the position of the regional hegemon between Buenos Aires and Brasilia.

The early nation-building efforts fueling nationalism and ongoing conquests of land were the early sources of conflicts in the 19<sup>th</sup> century, but the distrust between countries and unsolved territorial disputes have carried over these conflicts to the following centuries. Carlos Escude coined a new theory of periphery realism to address the conflicting nature of Latin American countries accurately. Based on the Argentine history of its foreign policy he attributed the numerous bilateral conflicts to strong nationalism resulting from the weak governments of weak countries. He distinguished between good nationalism, one that has been rather a historic necessity and connected with the creation of nation-states during the turbulent post-independence period, and bad nationalism, originating in overly enforcing nationalism that consequently fueled irrational behavior in external policy.<sup>170</sup> This has created an almost automatic sense of antagonism in dealing with the territorial disputes leading to the vicious circle of distrust and conflict. We can see such a historical development across the region and Escude perfectly grasps the historical origins of the security dynamics in the region. A particularly important element is the weakness of the governing regimes that have led to escalations as they try to rally around the flag. A realist understanding of the regional dynamics is confirmed by other researcher, Claudio Fuentes, who describes the national priorities and geopolitical goals as the primary force in foreign policy and bilateral

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<sup>170</sup> Escudé, C. (1992). *Realismo periférico: fundamentos para la nueva política exterior argentina*. Planeta.

dealings in South America.<sup>171</sup> The origins of these conflicts are mapped by Claudio Fuentes, who divides them into periods according to the regional political and national developments.

The main regional rivalry has been between Argentina and Brazil for the position of a regional hegemon. While Brazil's hegemonic role and their relationship with Argentina will be discussed in later chapters, Buenos Aires also had another challenger, Pinochet's Chile. Despite that, both rivalries have been transformed into extensive security partnerships through various measures from trust building to cooperative security. And so 30 years after Chile and Argentina almost went to arms over the Beagle Island they have created a joint military force that has been deployed for UN missions. Both countries have signed various cooperation agreements in areas of internal security, movements of people, energy, or commerce. Similarly, Brazil and Argentina turned their rivalry around to establish one of the first nuclear-free zones and became the founding members of the largest commercial regional bloc, the Mercosur. Moreover, the war between Ecuador and Peru from 1995 has been solved by the arbitration in 1998 facilitated by Argentina, Brazil, Chile and the US. Since then both countries continue to develop close friendly relations, cooperation in a form of bilateral commissions, joint economic development of border areas or security cooperation between high-level defense officials together with various confidence-building measures. We can therefore see that peaceful means of solving differences has established itself in South America.

### Chile-Peru

A complicated relationship and nod of territorial disputes between the states of Chile, Peru and Bolivia offers a much more complex picture. Despite the various wars, conflicts and rivalry that has become a part of the countries' national identities the democratic governments have changed their stances and opted for multilateral and most importantly peaceful solutions. In the case of Peru and Chile, they have successfully referred their dispute to the International Court of Justice with accepting and respecting its 2014 decision that granted Peru over 28 000 of 38 000 square kilometers of the disputed area and one of the world's richest fishing areas.<sup>172</sup> However, the potential arms race between the two countries is still being questioned, and rivalry and skepticism continue to persist between the two. Now, the bilateral relations are booming with annual bilateral

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<sup>171</sup> Fuentes, C. (2008). Fronteras calientes. *Foreign Affairs Latinoamérica*, 8(3), 12-21.

<sup>172</sup> Heidleberg Institute for International Conflict Research (2015), *Conflict Barometer 2014*. Available at <http://www.hiik.de/en/konfliktbarometer>

trade surpassing \$3 billion and various bilateral commissions, and trust-building initiatives enforcing the relationship. Most importantly, the two countries are members of the Pacific Alliance, the new principal economic force in Latin America with potential and commitment to neoliberal economic integration that is leaving behind any other integration projects in the region. Despite the deepened relations and apparent commitment to peaceful solutions, the relationship between the two in last few years has been full of continuing conflicts and diplomatic clashes. In 2009 two Chilean officers were detained in Peru for trying to seize internal sensitive military secrets by bribing a Peruvian military officers. After the ICJ ruling, Peru has published maps extending the new maritime border to shore, eventually adding 3.7 hectares to Lima, raising the tensions and receiving harsh criticism from Santiago again. In 2014 Peruvian hackers have stolen hundreds of emails from Chile's Air Force and latest espionage scandal in 2015 led to withdrawal of Peruvian ambassador from Chile and following diplomatic clash over Chilean intelligence agents enticing Peruvian Navy officers of selling them sensitive military information. Despite some calling for cutting the bilateral ties, Chile and Peru never let these scandals impact their growing economic interconnectedness. However, it fits to stay that the good old rivalry still persists and plays an important role. While it might not trump the economic integration within the Pacific Alliance or their free trade area extension under the prepared Trans-Pacific Partnership, none of these integration projects would be possible in a supranational form. Pacific Alliance has no institutions, or an overarching body, and the cooperation is purely inter-governmental. With the traditional rivalry and continued conflicts, any prospects of a traditional institutional integration are to say impossible. With the two countries successfully solving their territorial disputes in a peaceful way, political integration is unthinkable not only in a short place.

### *Bolivia-Chile*

The point of conflict between Bolivia and Chile is the Atacama corridor that Bolivia lost in the Pacific War to Chile in 1884. Since then the countries have occasionally exchanged claims or diplomatic tensions over the area, with the dictator Pinochet offering a corridor to Bolivia in exchange for the territory of the same size. However, the Treaty of Peace and Friendship from 1904 between La Paz and Santiago gave Chile the full right to the territory in exchange for unprecedented benefits of unrestricted free commercial movement, tariff-free access to Chilean ports of Arica and Antofagasta with the ability to impose their own taxes and import tariffs. Bolivia

had presented its territorial claim at the ICJ in Hague building their argument around the historical occurrences when Chile voluntarily offered Bolivia a corridor to the sea during the military dictatorship. Yet, the treaty of 1904 is legally above any diplomatic notes. Sea access is a principal point of Bolivia's foreign policy and the Morales administration has focused heavily in resurrecting the landlocked country's dream to gain its own port in a region rich in nitrates to facilitate natural resources exports. The country has actively engaged in promoting its demand while teaching subjects like History of Borders to engrain the sense of historic and emotional ownership of the Atacama region into the population. While Peru has its own clashes with Chile, it has answered Bolivia's sea access request by granting it a tariff-free access to its port of Ilo with a convenient geographic location for export of La Paz's natural gas. Relations between Peru and Bolivia are excellent, but Lima is rather indifferent to Bolivia's interests. The rhetoric exchanges have been intensifying in a safely non-confrontational manner and the asymmetric relationship between the third largest regional army, and the poorest landlocked country is preventing any escalation. Rather, Bolivia has been trying to gather international and regional support along the similar ideological lines. While it could be said that ICJ is rather likely to no grant Bolivia the access, the country has already made it into such a crucial issues to its identity, similar to the Falklands claim of Argentina. Bolivia's claim is not a need for access to sea to help development of the export-oriented economy as we can see the unprecedented access to Chilean but also Peruvian ports, rather, it is a product of heavy nationalism.

### *Colombia-Venezuela*

With the origins of the conflict dating to 1871 over the Monjes Islands and areas rich in oil from the Caribbean Sea including Guajira peninsula, the conflict has gained completely different dimensions after the succession of Hugo Chavez to power. With Colombia being one of the last bastions of US military presence in the region through the vast economic and military assistance under the ten year and \$8 billion Plan Colombia, Venezuela, the leader of post-liberal shift and father of the Socialism of the 21<sup>st</sup> century, saw the right-wing conservative government of President Uribe as the devil at Caracas's doorstep. With Colombia being plagued in one of the worst waves of violence of the 50 year long war with the leftist guerrillas ELN and FARC at the beginning of the millennium, Chavez took the opportunity to fund and support his ideological allies, the Revolutionary Armed Forces of Colombia (FARC), in the fight. The height of the

conflict came in 2008 with the current president and back then Foreign Minister Nicolas Maduro sending tanks on the border with Colombia over a diplomatic row. The conflict arose over the Colombian military action against the FARC that has led to successful killing of the guerilla's leader Raul Reyes and over 20 other guerrilla members on the Ecuadorian territory. The reaction of Ecuador supported by Venezuela has called the action an attack on national sovereignty and the heightened diplomatic clash of clear ideological and geopolitical dimensions have nearly resulted in a war. Since then, the successor Colombian government of President Juan Manuel Santos, a former Defense Minister of Uribe turned-opponent, has taken a completely different approach to international relations. The policy of non-intervention and no-escalations built on respecting Venezuela's sovereignty and refraining strictly of commenting the complex political, human rights and economic crisis in Venezuela. Most significant sign of Santos' complete 360 turn from Uribe's foreign policy has been the President's criticism of the United States sanctions on Maduro's regime in 2015. Noteworthy, Venezuela has since Santos' rapprochement supported the peace talks with the FARC in Havana, Cuba, and bilateral cooperation has spread from commercial to border control and fighting organized crime or border trafficking. The two countries have somewhat of a limited cooperation in the border regions struck by smuggling of cheap subsidized commodities (food and oil) from Venezuela to Colombia. If the relationship is stabilized, it is thanks to the open politics of President Santos, who has even gone as far as criticism the White House executive order naming Venezuela a US national security threat. Despite such a gesture, the two countries are politically and ideologically on the opposite side of the Latin American spectrum maintaining the well-functioning rivalry.

To summarize the trend, the argument built by Carlos Escudo blames the high conflicting nature of the South America region fueled by the exaggerated role of nationalism coming from the historical necessity of nation building. However, in the case of Chile, Claudio Fuentes attributes the improved relations between regional states firstly to the change to democratic systems, secondly to early institutionalization of security cooperation preventing any diplomatic distancing to effect military and security cooperation and finally to building a wide sense of trust across commercial, educational or military sector in political but also social sense.<sup>173</sup> The vicious circle of distrust from Fuentes might have been surpassed under the new democratic governments, but

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<sup>173</sup> Fuentes (2008), pg. 6



the rivalry continues to play an important role. The historically necessary nationalism has not died out and despite the apparent commitment to a peaceful solution of the disputes, sovereignty, and nationalism continues to heat bilateral relations and dominate the interstate conventional security dynamic.

South America is highlighted by low levels of conventional threats but the large level of unconventional threats in combination with a lack of concrete security cooperation and small defense budgets across the region. The transformation of security in South America comes together with the global change in security threats away from the traditional sense to a rather unconventional one. However, in South America and Latin America, in general, the change is a lot more apparent for the heavy presence of unconventional security issues typical for the region. These threats mostly evolve between narco-trafficking, organized crime and cyber security. As Gabriel Marcela points out the security issues move from traditional security to human security, as the new major threats in the region are poverty, social exclusion, organized or cyber crimes, environmental crisis, diseases or human trafficking.<sup>174</sup> Privatization of security and lack of the state's role in providing security is another major trait of South American dynamics. Lack of cooperation with the outsiders limits security operations and joint initiatives to bilateral level.

### Security threats

The main characterizing factor of the South American security issues are its vast and porous borders creating unrestricted space for cross-border spreading of unconventional threats of various kinds, with South America itself being one of the areas with the highest homicide rates and organized crime presence. The historically present drug cartels, narco-trafficking gangs, and many paramilitary groups make the continent's security a highly unstable and volatile area fueled by high levels of poverty and socio-economic instability. The main security issues are unconventional rather than conventional, and the present inter-state disputes are all rather stable or solved through peaceful means and international legal institutions.

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<sup>174</sup> Marcela, G. (2013). The Transformation of Security in Latin America: A Cause for Common Action. *Journal of International Affairs*, 66(2), 67.

When talking about Latin or South America the number one security issues is inherent to drug-trafficking. The multi-billion dollar nonsensical War on Drugs launched by the United States has been a fuel to fire and only uncovered the immense size of drug-trafficking on the continent. South America's role in the global supply chain of narcotics has always been of a producer and transporter to satisfy not only the US drug demand but increasingly European or even Asian growing need for drugs. Drug-trafficking is omnipresent in all the countries. Colombia, Peru, and Bolivia serve as producing countries, with Chile, Brazil, and Argentina as the main transition countries to global markets.

With Peru passing Colombia as the biggest coca producer in the world with 340 tons annually, almost all of the production is focused on the VRAEM region combining high rocky mountains with the complicated jungle environment. The cocaine then travels through Bolivia to Brazil or Chile for international distribution. Cocaine from Colombia rather takes the long trip through the Central America and Mexico to the United States. In Peru, the leftist guerrilla Shining Path fuelled by the drug trade has been defeated in the 90s with unsuccessfully attempts for its revival. The same is not the case in Colombia, where the drug trade, extortion, kidnappings, bombings and open attacks continue to be the daily bread for national security forces dealing with the FARC or ELN guerrillas. With the FARC reaching the final phases of the peace talks and ELN in a process of constructing a similar path with the government, the drug trade is not to be eliminated. The considerable decline in the cocaine production and guerrillas' power due to the successful implementation of the Plan Colombia has limited the strength of the leftist and neo-Marxist groups, but their criminal activities are fully substituted by new elements of organized crime. So-called Bacrim (Criminal Bands or *bandas criminales* in Spanish) have been the main security plague in Colombia, engaging in the drug trade, alliances with the factions of the guerrillas and moving the practices of drug trafficking, kidnappings, murders or extortions from the rural areas and hands of the guerrillas to the cities and poor neighborhoods with their epicenter in Pacific Buenaventura. A key drug-trafficking point of the Triple Border between Paraguay, Brazil and Argentina has eventually spread the drug-trafficking issues to northern cities of Argentina, mainly Rosario or Cordoba, as the Buenos Aires government continues to face an increasing drug-related violence in the poor neighborhoods known. Each country calls these areas something else; *favelas* in Brazil, *villas miserias* in Argentina or *barrios* in Venezuela and Colombia, however, they always epitomize a socially and economically struggling neighborhoods with lack of social

services or any sign of governmental presence stricken by drug abuse, narco-trafficking and under control of groups of organized crime. The cross-border issues are particularly apparent in the region of the Amazonia inaccessible to regular security forces and with many natural obstacles for monitoring, allowing for free movement of threats. In this region, another particular issues it illegal mining and deforestation among other environmental threats.

Given the by 1,310% growth in internet users in the last decade, cyber security is an increasingly growing issue. With spear-phishing being the single biggest attack method joined by increasing critical infrastructure attacks and ransomware. The biggest victim is the banking sector with hackers mostly aiming at private companies but also the unaware public with identity theft.<sup>175</sup> The national responses to cybercrime threats are highly limited and inadequate. While all the South American countries have adopted appropriate cyber security strategies and created CSRIT teams, their action is rather insufficient. There is a lack of appropriate legislation together with designated cyber security bodies, governmental programs for relevant education, expertise and civil awareness in this area are seriously underfunded or completely non-existent and PPPs or any cooperation between the two sectors are entirely absent.

### **Security cooperation and practices**

The South American space has achieved various security cooperation and initiatives that worth noting. It includes joint involvement in various UN peace operations especially between Argentina, Uruguay, Chile and Brazil, extensive cooperation in the Triple Border region between Paraguay, Uruguay and Brazil or various bilateral agreements over security or the exemplary set of agreements of nuclear-free zone and security partnership between Brazil, Argentina and Chile. Despite the various security cooperation measures, the region failed to create any long-term, structural and integrating security projects. While the countries cooperate and behave in a friendly manner, there is not a true integration, but rather an elimination of distrust and animosity between states, as put by Dr. Mónica Hirst.<sup>176</sup>

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<sup>175</sup> TrendMicro and OEA. (2013) *“Tendencias en la seguridad cibernética en América Latina y el Caribe y respuestas de los gobiernos”*.

<sup>176</sup> Hirst (2004), p. 62

The bilateral security cooperation network in South America is extensive and beyond individual analysis. However, their cooperation is aimed mostly at unconventional security threats of narco-trafficking and organized crime. This is particularly an issue in all the Andean and Amazonian countries, but most recently also for the northern borders of Argentina. Brazil and Colombia cooperate in various areas including border regions security, drug-trafficking or guerrillas and organized crime groups operating in the Amazonian border region. Colombia and Ecuador are cooperating as well in the border region, including joint operations and missions. Additionally, Ecuador has been hosting peace negotiations between the Colombian government and the ELN guerrilla. Brazil and Peru cooperate in the Amazonian region, especially in the area of monitoring of the vast border region. Additionally, the two countries have signed various agreements for joint work against environmental crimes and drug-trafficking. Ecuador and Peru cooperate through cooperative Security measures with regular meetings between defense ministers or the military leaders. Peru and Colombia have an extensive security cooperation, as the two countries are the world's top coca producers. The working bilateral group tackles drug-trafficking and airspace protection, linked to the aerial drug transportation. Argentina and Brazil also extend their Security cooperation into the field of cyber-security, specifically in the area of information sharing.

In the area of cyber space, The Organization of American States (OAS) has been very active in cyber security promotion and cooperation in the entire region. Major cyber cooperation discussions started already in 2001. In October 2003 cyber security and cyber-attacks have been acknowledged and named as one of the new threats at the OAS's Special Conference on Security aimed at discussing new multidimensional security threat<sup>177</sup> following the OAS's special Conference on Cybersecurity in Buenos Aires. At the 2003 Special Conference, the countries have agreed to take specific necessary measures that have resulted in the adoption of the Comprehensive Inter-American Integral Strategy to Combat Threats to Cyber Security (CIIS) in 2004. This happened nine years before the adoption of the EU cyber strategy in 2013. The strategy relies on three adopted organisms within the OAS: the Inter-American Telecommunication Commission (CITEL), the Inter-American Committee against Terrorism (CICTE) and the Meetings of

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<sup>177</sup> Organization of Americas States. (2003), *The Declaration of Security in the Americas*. Available at <https://www.oas.org/es/ssm/CE00339S03.pdf>

Ministers of Justice or other Ministers or Attorney Generals of the Americas (REMJA).<sup>178</sup> One of the keywords mentioned is the development of common cyber security culture. The core framework of this strategy is aimed at following areas: provision of cybersecurity education and information to internet users and providers, developing PPPs to educate and secure critical infrastructure, work towards adoption of technical standards and most importantly develop necessary legislation and policies in the area of cyber security. The CICTE's mandate is built around providing any necessary technical help and support in the creation of national CSIRT units, a task that the OAS has been very successful in fulfilling. The CICTE helps with the necessary steps toward establishing of cooperation between CSIRTs. Another main objective of CICTE is the support for the establishment of the key legislature and legal framework in the area of cyber security.<sup>179</sup> Despite many countries completely lacking a comprehensive set of laws in this field, significant progress has been made. The same principles of the Council of Europe's Convention on Cyber-Crime are recommended for creating national cyber legislature.<sup>180</sup> The CICTE also facilitates a creation of a trans-national Secure Hemispheric Network of National CSIRTs (also known as Red Hemispherica) a body for CSIRTs cooperation providing a ground for international information sharing about emergencies and threats. The CICTE ensures implementation of basic communication standards and regulations.<sup>181</sup> Another important component is a working body of experts under the REMJA that organizes workshops for OAS states, issues recommendations and assists states in developing the necessary legal framework. One of the most important things to note is that the REMJA and CICTE, in general, has accepted the United States leadership in the areas of expertise, education and training in cyber-related issues. The CICTE frequently conducts mock cyber attacks workshops and has recently established a new Mobile Cyber Crisis Response Lab under the leadership of the US to simulate critical cyber situations.<sup>182</sup> Recently, the Declaration of Strengthening Cyber-Security in the Americas has only cemented the current

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<sup>178</sup> Organization of Americas States. (2003), *A Comprehensive Inter-American Cybersecurity Strategy*. Available at [http://www.oas.org/juridico/english/cyb\\_pry\\_strategy.pdf](http://www.oas.org/juridico/english/cyb_pry_strategy.pdf)

<sup>179</sup> Sullivan, B. (2013) "*Regional Efforts to Strengthen Cyber Security in the Americas*", CICTE

<sup>180</sup> Complete overview of national legislation accessed online [http://www.oas.org/juridico/english/cyber\\_legis.htm](http://www.oas.org/juridico/english/cyber_legis.htm)

<sup>181</sup> CICTE Missions statement accessed online <https://www.citel.oas.org/en/Pages/Mission-Statement.aspx>

<sup>182</sup> OAS (2012) "*OAS Demonstrates Operation of New Mobile Cyber Crisis Response Lab*", United States Permanent Mission to the OAS. Available at [http://www.oas.org/en/media\\_center/press\\_release.asp?sCodigo=E-378/12](http://www.oas.org/en/media_center/press_release.asp?sCodigo=E-378/12)

programs and initiatives and endorsed continued progress along the established strategy and logic.<sup>183</sup>

One of the reasons is the grave difference in classification of these non-traditional issues. While in some countries the military forces are responsible for dealing with these transnational threats of terrorism, narco-trafficking or organized crime, in many other countries these areas fall under the jurisdiction of the police. Same happens in the cyber space where cyber crime is by some identified as a threat to national security and by others as a threat to the markets and economic competition. This creates a great inability to coordinate effectively any regional cooperation or a quick response to cyber threats. Despite the new attempts by UNASUR to trigger a development of a common agenda in this area, we can clearly see that the main interest is not to address the biggest threat, the non-conventional cyber crime, but to use cyber cooperation for political means as a defense against the United States, to legitimize militarization of the cyber domain in South America by shifting focus on NSA's intelligence surveillance. Again, the UNASUR and CDS are moving towards securitization of inter-state problems in order to shift the focus from domestic intra-state security threats that represent the biggest area of concern in South America. Nevertheless, the OAS with their technological knowledge and abilities provided by the United States will remain the main contributor to cyber security in the region while the UNASUR project will continue to represent a space for growth of regional autonomy. Yet, as they do not possess finance, capability, and expertise or will take on the cyber domain security's real threats UNASUR's CDS will not represent a security alternative to the OAS. The cooperation along the bilateral lines is significant, but is only limited to the bilateral model, since a multilateral one would require the states to cede some amount of sovereignty over security issues, which is according to the regional dynamic unacceptable.

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<sup>183</sup> OAS, (2012) "*Declaration Strengthening Cyber-Security Response in Americas*", CICTE (<http://www.oas.org/cyber/documents/Declaration.pdf>)

## The South American Defense Council

Multilateral security cooperation in South and Latin America has had various historical development. The system of collective defense under the Inter-American Treaty of Reciprocal Assistance known as Rio Treaty - a non-binding agreement to protect Latin America from communism - has only had a symbolic value with Brazil evoking it after the 9/11 attacks. The US-dominated Organization of American States, the oldest regional organization, has contributed to the security cooperation during the Special Security Conference in 2003, to discuss the new nonconventional threats. But with the US dominance, its security cooperation has been logically abandoned during the pink tide in the 2000s and multilateral security cooperation under the OAS organization has been much restricted to the biannual conferences of America's defense ministers. Pan American collective security could not move forward because of asymmetry and fear of the US military power to be used against them.<sup>184</sup>

The creation of UNASUR's South American Defense Council (Consejo de Defensa Suramericano, CDS) was to take on the role of a region security forum. It wasn't until 2008 in Santiago when the organization's security body, the CDS, was established. However, it is important to mention, that the CDS was established along the lines of the UNASUR as a cooperative security body and a multilateral space for dialogue. Apart from consolidating the peace in the region the main role of the CDS is to handle and facilitate border disputes, control new arms acquisition to prevent an arms race and contain spill-overs or internationalization of internal conflicts. Exchange of information and creation of a shared vision over security and defense issues are among the more specific goals. However, a major purpose of the CDS copies the autonomy goals of UNASUR, and that create South American autonomy by addressing security issues without an extra-regional intervention.<sup>185</sup> The UNASUR treaty names are consolidating South American space a Zone of Peace, articulation of defense identity of South America and creation of regional consensus in the defense affairs as the main security goals.

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<sup>184</sup> Marcella (2013), pg. 12

<sup>185</sup> Fuentes & Santana (2009), pg. 562

With the construction of UNASUR, the geopolitical dimensions of the project were apparent. It integrates Defense Ministers of all member states and according to its first establishing declaration aims to surpass differences over military spending and offer a space for dialogue over conflicts between states and to coordinate members' external security.<sup>186</sup> The objectives of the CDS are split into four areas. The first, politics and defense, aims to exchange information about defense policies, make defense spending transparent, and identify regional and global security threats and to create mechanisms for adoption of joint positions. Second military cooperation describes joint military exercises, education and training about peace missions, and exchange of experiences. Third tackling the area of industry and technology to identify defense industry capabilities, and promote bilateral and multilateral defense projects. The last area of cooperation mentions exchange military study programs and establishment of a South American Center of Strategic and Defense Studies (CSEED).<sup>187</sup> The CDS has advanced on various issues in the area of trust building and information sharing in the matter of conventional state-centric understanding of security. The CSEED has been operating and providing a register of military spending or military inventory; the CDS has adopted various cooperation plans along the four areas.

The unconventional security areas mentioned by the UNASUR treaty were corruption, the global drug problem, trafficking in persons, trafficking in small and light weapons; terrorism; transnational organized crime and other threats as well as for disarmament, the non-proliferation of nuclear weapons and weapons of mass destruction and elimination of landmines; the exchange of information and experiences in matters of defense; and, cooperation for the strengthening of citizen security. However, the conventional security approach is dominant in the CDS considering that it gives at least some common ground to the multilateral security body, as the variety of unconventional security threats and different security practices applied by each country complicate cooperation in this sense. The states are unable to agree on the main security issues or to coordinate their security practices. The cooperation is done strictly on the inter-governmental level where different security perception and preoccupations are left to co-exist next to each other, leaving out

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<sup>186</sup> Declaration of Santiago. (2009) UNASRU. Available at [http://www.comunidadandina.org/unasur/10-3-09com\\_defensa.htm](http://www.comunidadandina.org/unasur/10-3-09com_defensa.htm)

<sup>187</sup> Declaration of Santiago. (2009)



any convergence. The CDS is a place for political dialogue and cooperation in security matters; it is not a military alliance or an organization of collective defense.<sup>188</sup>

The strategic positioning with the US is crucial to the whole organization, which for some countries is particularly problematic as they rely on US foreign assistance for various security initiatives. This has led to an extensive criticism of the Colombian partnership with the United States and granting Washington six military bases in South America. This perspective has value for understanding UNASUR and the CDS, which can be interpreted as a means for guaranteeing South American autonomy and as a strategy for balancing against the US. Despite the CDS adopting various conventional security measures and cooperation, it has still not achieved expelling extra-regional factors from the South American space in the context of conventional security. This is especially the case of Colombia that constitutes a major partner of the United States in defense matters hosting 6 American military bases. Additional cooperation between Columbia and NATO are only proving this. The criticism of this political position of Colombia has been a major focus of many CDS meetings, leading to the adoption of information sharing measure alerting of any exercises or movements of extra-regional militaries.<sup>189</sup> Other plans of action have been focused on humanitarian cooperation and peace missions, led by Argentina, Chile, and Brazil, highlighted especially by the UN MINUSTAH Mission in Haiti. Integration of the military industry has created partnerships between Chile and Brazil in the creation of a transportation plane Embraer C-390, with its subsequent purchase by various regional countries including Colombia. Between Brazil and Argentina, it was the construction of a military vehicle Guarani. But as Sanahuja describes, this area shows significant asymmetry between the nations with developed defense industry (Chile, Brazil, Argentina) and the rest of the region.

Unconventional threats have achieved some sort of attention with the creation of subsequent bodies as the South American Council for the Global Drug Problem (Consejo Suramericano sobre el problema mundial de las drogas, CSPMD) or South American Council for Citizens Security and Organized Delinquency. However, they are built on the UNASUR model of inter-governmental exchange of information. The council approaches security from a conventional and state-centric

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<sup>188</sup> Sanahuja (2014), pg. 497

<sup>189</sup> Sanahuja (2014), pg. 513

view. As the main regional security threats are rather within the state, the governments are extremely concerned with state sovereignty. However, despite all the security facts the CDS is aimed at the traditional view of security. Their initiatives revolve around data sharing about defense budgets, military spending, information about training, weapons procurement. Other soft measures of security cooperation include a creation of a think-tank called the Center for Strategic Defence Studies (CEED) to create a doctrine of cooperation and info sharing represented by two delegates from each country. One sector recording increased activity in cooperation is cyber security with member states acknowledging the undeniable need for cooperation in this area. Among the proposed cooperation projects was the establishment of points of information exchange, incorporation of satellite technology and development of regional guarantees to preserve digital sovereignty within UNASUR. Ministers also called for addressing cyber crime as a major threat in Latin America.<sup>190</sup> Very important developments came after the revelations about the scope of the NSA surveillance that included Brazilian president Dilma Rousseff. One of the responses to this<sup>191</sup> has been immediate calls for an establishment of a South American based secure shield towards US surveillance<sup>192</sup>. As the result of this Brazil and Argentina have signed a cyber cooperation treaty committed to training and expertise exchange and cyber-military capabilities enhancement.<sup>193</sup> Later in 2013, both countries agreed to incorporate all other UNASUR countries in their treaty to adopt a common cyber strategy and facilitate security cooperation.<sup>194</sup> UNASUR is thanks to the US spying scandals taking a more proactive stance and is planning to address the issues of surveillance according to the UNASUR Secretary-General.<sup>195</sup> Last fact noteworthy mentioning is that with the exception of the Brazil-Argentine cyber treaty

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<sup>190</sup> El Universo, (2013) "Ministros piden a Unasur que combata delitos cibernéticos", (<http://www.eluniverso.com/noticias/2013/08/20/nota/1317626/ministros-piden-unasur-que-combata-delitos-ciberneticos>)

<sup>191</sup> Other notable response has been president's Dilma Rousseff's cancelation of long time awaited visit of the White House, decision to award renewal of Brazilian Air Force to Swedish SAAB rather than American LockheedMartin and the proposal of a anti-spying UN resolution by Brazil and Germany.

<sup>192</sup> Blears, J., (2013) "*Argentina Calls for Cyber Shield Against US Spies*", Vatican Radio ([en.radiovaticana.va/news/2013/11/22/argentina\\_calls\\_for\\_cyber\\_shield\\_against\\_us\\_spies/en1-748879](http://en.radiovaticana.va/news/2013/11/22/argentina_calls_for_cyber_shield_against_us_spies/en1-748879))

<sup>193</sup> Dinatake, M., (2013) "*La Argentina pacta con Brasil un plan de lucha contra el espionaje*", La Nación (<http://www.lanacion.com.ar/1640222-la-argentina-pacta-con-brasil-un-plan-de-lucha-contra-el-espionaje>)

<sup>194</sup> Associated Press, (2013) "*Brasil y Argentina queiren ciberdefensa en UNASUR*" (<http://www.frontera.info/EdicionLinea/Notas/Internacional/21112013/778289-Brasil-y-Argentina-quieren-ciberdefensa-en-UNASUR.html>)

<sup>195</sup> According to an interview with the Secretary-General Ali Rodriguez Araque from last month (<http://www.elmundo.com.ve/noticias/actualidad/internacional/rodriguez-araque--en-unasur-buscamos-como-combatir.aspx>)

there are no other bilateral treaties in the region.<sup>196</sup> Despite the change in the security environment to multidimensional and unconventional threats that work cross-border, the security practices have not changed. Much of this originates in the different perceptions of the security threats and divergent ways how to tackle them. This effectively prevents an establishment of common mechanisms and policies to establish a cooperative security.

While we might see much of cooperation lines and efforts in the conventional areas thanks to the various councils and agendas, the cooperation in the area of so-called new threats or unconventional security challenges like narco-trafficking or organized crime is slow and nascent.<sup>197</sup> This is not because the CDS has not invested in this, which it clearly had by creating subsequent councils, but it is rather because this sort of cooperation does not have any content, unlike the conventional agenda. The traditional visions centered on sovereignty, territorial integrity and cooperation in military affairs.<sup>198</sup> The origins of this traditional Westphalian security cooperation led to a coining of South American as Southfalia by Juan Gabriel Tokatlían.<sup>199</sup> The security agenda of UNASUR is described as conditioned by the preference of the main regional powers and their individual agendas in the region.<sup>200</sup> Also, confidence building measures the main tool for security integration, defense budgets standardization dominated the cooperation agenda and also diverge the focus from internal to external issues.<sup>201</sup> At the same time, the different understandings and perceptions of security and conflicting approaches to security complicate the cooperation.

The geopolitical and conventional orientation of the CDS and the entire UNASUR is apparent. The first key issues that UNASUR deals with according to an analysis by Babjee Pothuraju are the competing strategic national interests of major global powers.<sup>202</sup> Detlef Nolte and Leslie Wehner use Amitav Acharya concept of “norm subsidiarity” to describe the CDS principles, which is defined as “a process whereby local actors create rules with a view to preserve their autonomy

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<sup>196</sup> Diniz, G., Muggah, R. (2013) “*Mapping Insecurity in Latin America*”, Igrapé Institute and SecDev Foundation

<sup>197</sup> Sanahuja (2014), pg. 520

<sup>198</sup> Sanahuja (2014), pg. 521

<sup>199</sup> Tokatlían, Juan Gabriel, (2014 November 5) Westphalia to Southphalia. *openDemocracy*.

<sup>200</sup> Sanajuha (2014), pg. 518

<sup>201</sup> Fuentes & Santana (2014), pg. 567

<sup>202</sup> Pothuraju (2014), pg. 10

from dominance, neglect, violation, or abuse by more powerful central actors.”<sup>203</sup> This together with other issues complicates security cooperation in non-conventional areas, the ones that present the real security challenge in South America. Instead the state dominated and conventional approaches dominated the agenda and unable cooperation in non-traditional areas.

## Conclusion

The dynamic of security cooperation can be highlighted by growing cooperation in the traditional sense of conventional security and limited achievements in other areas. While we can acknowledge that the mentioned nationalism out of historical necessity has been limited by the democratic regimes that have put diplomatic or traditional disputes below the bilateral relations in economy, education or unconventional security cooperation, it still persist and continues to play the decisive role in the conventional security dynamics. This has, as a result, the hijacking of the security agenda of the CDS by leading member states and focuses on surpassing the traditional rivalry. Yet, the difference in security practices and national interest make the more extensive multilateral security cooperation absent.

Even though we can see that this improves the relations between the states, the traditional military focused approach limits the cooperation in unconventional areas. Bilateral security cooperation is preferred as it does not make states cease sovereignty to a majority. The strengthening of state sovereignty can be explained perfectly by Mohammed Ayoob’s explanation of security dilemmas in Third World. The porous borders exposing weaknesses of national security institutions in successfully consolidating their national area in fighting unconventional threats of narco-trafficking, organized or environmental crime or cyber security turn the security dilemma inward, as the real threats are internal. The consequent focus on state-consolidation fuels back nationalism and protection of state-sovereignty, leaving its characteristic mark in the South American approach.

Despite the countries, a strong commitment to peaceful solutions of conflicts showed by cooperative security measures, information sharing, and security dialogue qualify the region for Karl Deutsch’s security community. Yet, they fall short of committing to seize any national

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<sup>203</sup> Acharya, A. (2011). Norm Subsidiarity and Regional Orders: Sovereignty, Regionalism, and Rule-Making in the Third World. *International Studies Quarterly*, 55(1), 95-123.

sovereignty or advancing integration in the traditional direction of state-sovereignty limitation, institutionalization or supranational organization building. We can identify South American security environment as Kantian, but the traditional muster does not pick up for the unconventional security threats.

## **IDENTITY CLUSTER: POST-LIBERAL IDENTITY AS THE INTEGRATION DYNAMIC**

Shared identity originating from a set of shared values, expectations, historical experiences and cultural similarities has been considered as one of the key variables of regionalist theories. The Security Community of Karl Deutsch expects this identity to be created by a complete political amalgamation or through functionalism. The Critical Theory picks up on that and sees regionness or political and economic homogeneity together with a common set of historical and cultural values as the predisposition for regionalization. For the constructivist explanation of Security Communities, Tuscisny or Adler and Barnett describe the shared values and identities as major values that will be enforced and solidified through a supranational organization that will eventually lead to a transfer of sovereignty to such a body. Meanwhile, Mohammed Ayoob is much more reserved, as he expects differences to persevere and the need for a shared identity as minimal. However, in South America, the post-liberal identity should have given a very strong shared identity.

### **Post-liberalism as the long searched identity**

The shared historical and political developments across the continent are apparent and need not an extensive elaboration. The shared historic patterns are similar across the Hispanic countries, with only Brazil standing out. The independence movements have spread through the region at the beginnings of the 19<sup>th</sup> century under the leadership of Simon Bolivar and San Martin that have given the rules to the local white elites known as criollos. As all Spanish-speaking countries in South America refer to the same figures as the fathers of their nation, this naturally ought to create a clear sense of unity. However, the early struggles to establish nation-states on the rumbles of the former Spanish colonies had proven to be rather a fertile ground for conflicts as the new states were built. The idea of uniting the continent persisted, but national interests and territorial disputes prevailed. Brazil serves as sort of an alien, lacking the experience of a true fight for independence,

common culture, and other similar political or cultural features. However, Latin America has never moved close to a complete project of regional integration. This has been changed in the 2000s as the post-liberal shift has given South America its long-sought identity and appropriate bases for integration across ideological, political and social lines.

The start of the post-liberal shift can be traced to the 1999 victory of Hugo Chavez in Venezuela that has introduced the new socialist regime to the region. Election of Ricardo Lagos followed by Michelle Bachelet gave Chile new face as a social democracy, Uruguay elected Tabare Vazquez followed by Jose Mujica and Brazil has completely changed its social and economic model under charismatic Luiz Inacio Lula da Silva and the current president Dilma Rousseff. The Kirchner's have ruled Argentina since 2003, and indigenous politics put in power presidents Rafael Correa, Ollanta Humala and Evo Morales in Ecuador, Peru and Bolivia. In Paraguay, it was leftist president Fernando Lugo who was later taken down in a coup. Undoubtedly, the Pink Tide, as the leftist shift has been referred to, has many different faces and variations across the countries. While various forms and variations of the post-liberal shift have been discussed in the previous chapter, the change has been identified by two major streams: leftism and state-centrism. This political and economic characteristic of the post-liberal integration shaped the way it has been carried out. It is important, however, to understand its origins in order to describe how it affects the type of the integration.

It is difficult to define specifically post-liberalism, but its main traits will be subject to following debate. It is certain that the different countries show different forms of post-liberal shift and models. Fernando Calderon classifies the regimes into four categories between conservative modernization, pragmatic reformism, popular nationalism, and indigenous neo-developmentalism.<sup>204</sup> However, there are certain aspects that make this a completely regional change with various identifiable homogeneous factors. An important factor, however, is that the post-liberal shift has only had a very different economic impact in countries as Chile, Colombia and to a certain extent Peru. Within Calderon's typology, they fall under the category of conservative modernization together with Mexico. However, their difference will not be omitted. We can clearly identify post-liberalism as being a leftist political and economic stream. Roughly

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<sup>204</sup> Calderón, F. (2008). La inflexión política en el cambio sociocultural de América Latina. **Escenarios Políticos en América Latina**, 15-102.

summarized, its origins come from the inherent struggle during the Cold War between the Marxist and Communist movements and guerrillas and the ruling capitalist governments with military and religious support. The bipolarity of the world order fueled the ideological conflict between the two sides to the highest levels, but it certainly was not the only factor. The main Cold War experiences revolved around the well-known model where the military, aristocratic elites with the support of the Church and the United States did not allow for populist leftist movements gain political power. Without a legitimate way to gain representation, the leftist movements and parties were essentially forced to find other ways resulting into radicalization and militarization. Steven Kangas puts it simply by stating that the US's dominance in Latin America crushed any signs of socialism.<sup>205</sup> The well-known cases of the CIA support to military dictatorships and various coup d'états that helped the brutal governing regimes to crack down heavily against the leftist guerrillas were determinant, but it was not immediately when after the return of representative democracy to most of the country the post-liberal shift occurred. The violent history of civil wars between the repressive governments and Marxist guerillas as crucial, but they were certainly not determinant. What was a lot more important factor were the traditions and experiences that were a lot more mainstream in the political culture in Latin America.

The tradition of leftism in Latin America is perfectly described by Jorge Castaneda in his 1993 book *Utopia Unarmed* that long before the political shift described the strength and potential of the left-wing politics in the region. First points he makes is that the Latin American left could finally free itself from the geopolitical struggle of the Cold War. The second major argument was the obvious economic conditions of the region that is plagued by the highest levels of inequality and characteristic for its poverty and lack of opportunity or social mobility. And thirdly, this was the first time the region was open to free democratic systems that would for demographic reasons simply put the leftist into the power.<sup>206</sup> It seemed that everything was in place. We cannot, however, omit the historical experiences of with leftism that left a mark on national identities that the new left could pick up on.

The leftist leanings in Latin America have had various forms of rural movements, worker's movements and unions, student movements, ethnic groups or women's organizations. However,

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<sup>205</sup> Kangas, S. (1996). Timeline of CIA atrocities. Retrieved from <http://www.huppi.com/kangaroo/CIAtimeline.html>

<sup>206</sup> Castaneda, J. G. (1993). *Utopia Unarmed: The Latin American Left After the Cold War*. Alfred A. Knopf.

as each leftist group has developed according to the national realities a particularly unifying period passed through the 1950s and 1960s. The list of iconic leftist leaders in Latin America is vast and includes mythical personas from Peru's Victor Raul Haya de la Torre, Argentina's Juan Peron, Chilean Salvador Allende, Mexico's Lazaro Cardenas or Brazilian Getulio Vargas. The success of Salvador Allende in Chile, rise of Brazilian populism or Liberation Theology and never ending fight and survival of Argentinian Peronism created massive popular powers structures establishing a strong leftist dynamic in the region, but it was not until they connected with the international Cold War struggle and most importantly, the Cuban Revolution, that gave the Latin American left a united characteristic and a face. For the militant leftist groups, it was especially Che Guevara's concept of foquismo that has been given Latin American leftist movements the same imprint.

For understanding, Latin American is key to understand its historical position in the global economy that to a large extent characterizes the region until today. The colonization left the region as a source of enriching for European nations guided by mercantilism. This curse would leave a mark on the region in a form of under-development, absence of industrialization, complete dependency, and prime source orientation, frequently on monocrops.<sup>207</sup> In the late 1940s, Raul Prebisch, an Argentinian economist, rearranged the economic thinking in Latin America through revisiting the basic concepts of Ricardo's comparative advantage. He divided the global economic order between the rich developed economic centers and peripheral states, providing them with prime sources and depended on their manufacture imports, prohibiting their development. As the second Executive Secretary of the United Nations Economic Commission for Latin America and the Caribbean known as ECLAC and CEPAL in Spanish, Prebisch rearranged the conventional economic thinking and policies of the organization according to his *Prebisch thesis* in what became known as Cepalismo.<sup>208</sup> It was Cepalismo and the work of ECLAC under his leadership in the ultimate Latin American experiences with primary products export dependence on First World countries that gave birth to the dependency theory – and as explanation to slow developments in Africa and Asia. The ECLAC recommendation and development of the above mentioned Import Substitution Industrialization policies. The historical position of Latin America as a developing regain together with its contribution to the developmentalist theories has been resurrected with the

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<sup>207</sup> Vanden, H. E., & Prevost, G. (2002). *Politics of Latin America: the Power Game*. New York and Oxford: Oxford University Press.

<sup>208</sup> Vanden & Prevost (2002), pg. 155



failures of the neoliberal economic order or the Washington Consensus during the 1990s. The long-term economic and political fight focused on region's development, fighting inequality, poverty and departure from the periphery of the global economy are part of the South American identity, resurrected by the post-liberal shift.

### Self-identification and autonomy

The unprecedented shift sweeping across the region did touch every single country in some way, with the exception of Colombia, and naturally produced a sense of unity and shared a leftist South American identity. The self-identification process of the post-liberal shift has spread not only on the regional level but trickled down also to national and societal levels. The emancipatory projects of indigenous populations, ethnic groups or workers unions were as important to the overall autonomy and self-identification pattern as its regional dimensions. The deepening of the democracy by more inclusive political representation and self-determination of all groups of the diverse South American populations has been one of the many changes in the shift. Bolivia and Ecuador serve as a pivotal example of the indigenous emancipation, with Bolivia's Evo Morales, the first indigenous president in Latin America bringing about a complete change in the country's democratic, economic and political model with new inclusionary, pluri-national and unitary concepts and empowerment of indigenous groups. The country's constitutions explicitly reject principles of its neoliberal, colonial and republican past and adopts new ways of pluralism and territorial autonomy.<sup>209</sup> As the former Bolivian Minister of Education Felix Patzi Paco points out that social movements are a "total transformation of the Bolivia society".<sup>210</sup> In Ecuador, Rafael Correa building his reputation for protection of indigenous and ethnic minorities with series of laws. Through a new constitution built around an indigenous concept of 'good living' and heavy ecological undertone, Ecuador embraced the multi-national and ethnic makeup of its population.<sup>211</sup>

The special Latin American sentiment in the post-liberal transformation is described by anthropologists Mario Blaser and Marisol de la Cadena or Fernando Calderon as a transformation of the Latin American sense and a beginning of a new cycle.<sup>212</sup> Escobar eventually arguments that the rejection of modernity and liberal values is being made order to build up its own identity. While

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<sup>209</sup> Escobar, A. (2010). Latin America at a crossroads: alternative modernizations, post-liberalism, or post-development?. *Cultural studies*, 24(1), 1-65.

<sup>210</sup> These words, by Aymara sociologist Felix Patzi Paco at a presentation in Chapel Hill on November 17, 2005

<sup>211</sup> Escobar (2010), pg. 22

<sup>212</sup> See Calderon (2008), Blaser (2007) and Marisol de Cadena (2008)

not necessarily turning its back on the liberal order the Latin American identity tries to capture its own sense of themselves between communitarian and liberal.<sup>213</sup> The indigenous movements and changes within the post-liberal wave did not aim to completely change the political order but to influence it by its own values and by resurrecting the Latin American ownership of the so-called Abya Yala, the name for Latin America given by the indigenous peoples. Across the various versions of post-liberalism, it has tried to redefine the basic modern governing and social principles with combining liberal and local communitarian, indigenous, pluralist, and inclusionary principles. However, this identification itself is a lot harder to place on the political spectrum between the right and the left. Post-liberalism can be identified within the traditional concept of the Western political spectrum to the left, but more accurately is described by many that in Latin America “the left is the new center”.<sup>214</sup>

While the general anti-neoliberal economic and political shift has been seen as the major force, its another part is the pluri-national and pluri-cultural emphasis that is heavily applicable across the regions due to their ethnic and cultural variety. Escobar sees the two main drivers of the post-liberal change as the rejection of the hegemony of neo-liberalism and Eurocentric modernity but also as the decolonization process. The decolonization process is as well closely tied to the indigenous empowering in some countries with a large indigenous population like Bolivia and Ecuador, for the sole reason that the nation building and autonomy of the newly returned state is directly linked to the ethnic and Andean alterity of these countries.<sup>215</sup> We can see the growing power of other traditional social groups across the region. In Brazil, the Workers Party rule since 2003 demonstrated the empowerment of the workers and promised bright future for the decades-long fight of the Movement of Landless Workers. In Argentina, the Peronist rule of Cristina and Nestor Kirchner revived the mighty syndicates and trade unions, playing an indispensable role in Argentina’s political history since Juan D. Peron’s presidency. And in Mexico the 6<sup>th</sup> declaration of the Lacandon Jungle signaled the renewal of the Zapatista movement with an indigenous/socialist agenda.

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<sup>213</sup> Escobar (2010), pg. 36

<sup>214</sup> Arditti, B. (2008) ‘Arguments about the Left turns in Latin America: a post-liberal politics?’, *Latin America Research Review*, vol. 43, no. 3, pp. 59-81.

<sup>215</sup> Escobar (2010), pg. 29

The need to create its own identity built upon empowering through the various ethnic, class or cultural groups have translated to the regional identity of a variety of some general characteristics of a unique mix of post-modern society built from below while accepting some liberal values. Such emancipatory pattern of the post-liberal shift on the lower levels has led to the same processes on the regional level and the extensions of the self-identification of South American on the integrational scale. With the neo-Marxist ideological patterns and leftist economic thought that has established itself strongly through the years among Latin American intellectuals, artists, writers or academics, capitalism has been viewed as a form of economic and political dominance of the United States in the region. Alimanted by the previously mentioned long history of interventions of Washington, any sense of autonomy was unthinkable with White House dominating the regional landscape. Logically, the rhetoric used to reject the Washington Consensus and neoliberalism has been principally and aggressively directed towards the United States. The anti-Western and anti-imperialist underline of the post-liberal shift is not only originating in the economic rejection but also corresponds to a shift in foreign policy of these countries. The historical subordination of the continent persisted not only during the colonization but most importantly during the majority of the independence period. As the beginnings of the 18th century saw, all the countries of Latin America gain independence the European economy undergoing industrial growth was hungry for primary resources as it looked for new markets to export manufactured goods. Latin America that way took its role dominated economically by Europe, not allowing for independence or development of its own. The European dominance was simply and gradually substituted by the American one. The neo-colonialism of the US economic dominance and the surge of developmentalist theories along the above discussed Cepalismo accompanied the political emancipation. The years of political dominance by the United States can be dated back to the Monroe Doctrine in 1823 and developed through FDR's Good Neighbor Policy into the infamous Plan Condor. There is a well-known history of the Washington's involvement in the region that simply followed its geopolitical or pure economic goals. Whether it was for preventing European nations influence, for economic interests or ideological battle during the Cold War nothing happened in Washington's backyard without its approval. However, as the principally unilateral post-Cold War developed into a rather multilateral one, it has offered alternatives but most importantly allowed for regional autonomy. The presence of the United States has been the main obstacle to cooperative security in the region and as perfectly points out Víctor Mijares "the

persistent primacy of little over one century of the United States in the region did not allow the most powerful Latin American states to exercise their natural leadership in constructing their own security institutions".<sup>216</sup> The strife for autonomy goes along with the emancipatory dynamic at local level and state sovereignty enforcement at the national level.

On the national level, the autonomy seeking is represented by the previously described return of the state, hefty protectionist policies, nationalism and enforcing of state-sovereignty. To summarize, the leftist shift and post-liberalism represented a search for an autonomy or a process of self-identification on social, regional and national level. It is key to underscore that these patterns were either based on the South American identity, cultural reference or historical experience. The post-liberal identity did not just come out of nowhere, but it was a natural development built on well-established South America dynamics, of developmentalism, nationalism, political leadership, and the central role of the state. All these values were then projected onto the Union of South American States.

### Political culture

With the emergence of the post-liberal agenda, the integrationist initiatives of Venezuela and Brazil were concreted by the creation of the South American Community of Nations or UNASUR in 2004. As discussed before, the main principles of the community are non-intervention, sovereignty, and territoriality. But its biggest added-value is that the organization is aimed to be built upon the regional values, dynamics, and identity. Brazilian foreign minister Amorim described UNASUR in 2010 as giving South America a face.<sup>217</sup> According to Argentinean former Defence Minister Arturo Puricelli UNASUR represents "a thorough expression of a new multilateralism that progressively consolidates the South American space". UNASUR was to reflect the South American identity, and it has done so in various areas. The multilateral approach respecting every member with an essential veto power embraces the all-inclusionary dynamics. With the emphasis on social justice, inequality, defending the natural resource, sovereignty, and developmentalist of the region, UNASUR's constituting treaty includes all major traits of the post-liberal identity.

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<sup>216</sup> Mijares (2011), p. 13

<sup>217</sup> Amorim, C. (2010). Brazilian foreign policy under President Lula (2003-2010): an overview. *Revista Brasileira de Política Internacional*, 53(SPE), 214-240.

The non-institutionalization is a key characteristic of its integration as well. Hal Klepak came with a fitting cultural explanation for the unbinding and open regionalist projects. He describes a Latin American cultural principle called 'Acato pero no cumplo,' which refers to a common characteristic of the Latin American society of creating norms but not formalize them.<sup>218</sup> There is no social multilateral pressure to enforce compliance. There is a wide consensus that cooperation and integration are beneficial and necessary in reducing the uncertainty, but the compliance is lacking.

Another factor contributing to the non-institutional nature is the tradition of strong individual leaders. This originated in the mix of hierarchical and authoritative empires of Incas, Mayans or Aztecs, combined with the Iberian absolutist tradition of Portugal and Spain.<sup>219</sup> The history of Latin America is dominated by powerful politicians, leaders or *caudillos*. The charismatic God-like leaders from the independence periods like military leaders like Argentina's Juan Manuel Rosas or region-wide liberators San Martin and Simon Bolivar have slowly transformed into modern-day dictators like Juan Domingo Peron, Augusto Pinochet in Chile to the late Hugo Chavez, Brazil's Lula or Cristina and Nestor Kirchner in Argentina. With such a history of personal dominance, the strength of institutions has been over the years weakened, or rather did not allow for its evolvement. Strong presidential systems and traditionally influential militaries with significant political power have over the years limited the power of institutions. So consequently, the authoritarian legacy and weak democratic tradition are one of the principle traits of Latin American political culture.<sup>220</sup>

### Fragmented identity

The forming of its own South American identity has been based on self-identification, autonomy, and leftist inclusionary politics. The emancipatory patterns across from local to national and regional levels have led to a special regional dynamic and principles upon which UNASUR has been founded. The above discussed South American identity has various major flaws and divergences that make it rather weak and fragmented. The emancipation of smaller groups have

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<sup>218</sup> Klepak, H. (1998). Cross-cultural dimensions of the non-proliferation and arms control dialogue in Latin America. *Contemporary Security Policy*, 19(1), 159-188.

<sup>219</sup> Vanden & Prevost (2002), pg. 175

<sup>220</sup> Vanden & Prevost (2002), pg. 176

been slowly ignored and crushed on various occasions, the regional autonomy has been more of an illusion than a real thing and the leftist politics are not only losing its power but in some cases were simply rejected, or never made their way.

The indigenous emancipatory policies have slowly disappeared as they collective developmental projects were prioritized. The clashes between local populations and the government have returned to the region. In Ecuador, the pro-indigenous and environmental policies of President Rafael Correa that constituted a major part of his political rise. As he fought Exxon Mobil for environmental pollution in Yasuni national park, he became the voice and the face of regional defense of indigenous and local populations against international natural resource exploitations. But the indigenous agenda of the Ecuadorian president was soon taken over by new mining projects. The political divorce with the Confederation of Indigenous Nationalities and the recent loss of support from the indigenous population over the new land reform and workers due to the Labor Code led thousands to protests against the formerly popular president in March of 2015. The emancipatory project has failed. With the

While the post-liberal shift has to some extent went through every region, it has had various forms. The ideological heterogeneity in the region shows us that post-liberalism was a pattern that gave South America its identity, but it was not a unifying pattern across the region. An exemplary case is the rise of the Pacific Alliance and the political orientation of its members. The ‘most exciting thing in Latin America’ according to Chile’s finance minister, has certainly showed a different approach to integration. The free-market alliance of Chile, Peru, Colombia and Mexico is committed to free-trade cooperation and economic integration. Ironically, something that Mercosur had set to do, but never achieved it. The alliance is an intergovernmental organization and confirms that countries are not willing to cease any sovereignty over economic integration. However, the principles are built on the typical economic integration of the European experience. With more than 210 million people and elimination of 9/10 of trade tariffs on goods and services, a joint stock market or shared trade promotion offices across the world. The market-oriented policies and trade liberalization thrive despite the traditional rivalry between Chile and Peru and frequent diplomatic stand-offs. The next big divergence is the economic policies that on the Pacific side of the coast are open and focused on opening the markets and attracting investments, the

Brazilian and Argentine markets are known for their protectionist measures and closed-in value chains and domestic production.

Conversely, Colombia, Chile, and Peru have been countries on more center or right-wing political spectrum making invalid the presumption of South American and UNASUR as a left-oriented organization. With Peruvian President Ontalla Humala being another post-liberal hopeful, his pro-market policies and careful and prudent fiscal measures have made Peruvian leftist shift one that never came. In Chile, President Michelle Bachelet, one of the biggest faces of the leftist shift, has maintained market-friendly policies and was substituted by a center-right Sebastian Pinera before her second term. Colombia's political space does not technically allow for a leftist party to gain any significant support due to the decades-long civil war with the leftist and Marxist guerrillas, however, the current presidency of Juan Manuel Santos is seen as rather center-right in comparison with the previous conservative Alvaro Uribe. The political and ideological climate is much more right-winged. This is due to the fact that Pacific Alliance countries constitute for over 55% of Latin America's exports but only 35% of its GDP.<sup>221</sup> The crucial dependency on natural resources exports could be seen as the reason for the market openness while Argentina and Brazil possess much more diversified and self-sufficient economies. Brazil, on the other hand, runs a closed economy with foreign trade accounting only for 27.6% of the GDP.<sup>222</sup> Argentina has even been named the most protectionist country by the 2012 World Bank reports due to a commercial restriction, foreign currency limits and series of preferential measures.

While we can see the post-liberal political identity being very wide and heterogeneous with some far deviations, it is still built around classical understanding of sovereignty and inter-governmental non-institutionalized model. With most integration efforts traditionally surpassing at some point sovereignty to achieve better cooperation, South American integration enforces it. The founding principle of non-interference has been not only the core of UNASUR but has also been followed by countries in their policy. The inability to address human rights violations or lack of democracy in Venezuela serves as one example. Rather, the UNASUR members have supported Venezuela in its diplomatic conflict with the United States, as the extra-regional power threatening the

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<sup>221</sup> Etnoiru, Nneka. (2013 May 17). Explainer: What Is the Pacific Alliance? American Society: Council of the Americas.

<sup>222</sup> Canuto, O., Fleischhaker, C., & Schellekens, P. (2015). *The Curious Case of Brazil's Closedness to Trade*. World Bank Policy Research Working Paper, (7228).

autonomy of South America. The most unifying principle of the South American identity is the sensitivity over state sovereignty and its enforcement. In some countries, the state-sovereignty is enforced to protect traditional resource exploitation and to prevent capital outflow. In the security area, it is the internal security issues that turn the security dilemma inward and continue to challenge the weakened state institutions and unconsolidated sovereignty in itself. With the historical necessity for nationalism, it is left to be something that all the UNASUR members could agree on. However, this has a rather reciprocal effect, as the main shared value across the continent is the one blocking any further integration. With the social and emancipatory dimension of the post-liberal shift, the very own identity of South America seems to be exactly that, diversity, sovereignty and right for self-identification despite the vast historical, cultural and linguistic shared values. Those traditional similarities have created the need to distinguish from each other, and that might be as well a principal basic functioning of the South American identity, diversity, and non-interference, however, limiting that might be.

## Conclusion

This chapter has presented some strong, historical, ideological and philosophical factors constituting the South American identity. The leftist leanings and neo-Marxist tradition were together with developmentalism inherent to the socio-economic situation of the region and its economic realities. Fueled by the emancipatory projects, decolonizing attempts to gain autonomy and independence originating from the 500-year long dominance by external powers, the post-liberal identity has a lot to build on. However, its political culture is based on strong nationalism and state-centric political systems revolving around strong charismatic and sometimes very autocratic leaders, combined with the weak institutionalization of cultural origins and the well discussed state-sovereignty emphasis. With the political diversity and different conflicting ideas about regional integration, we can see the South American identity to be strong, but not exactly unifying and neither integrating.

The shared identity would then satisfy the regionalist predispositions of the Critical Theory and its political, cultural and value homogeneity as well as the common social environment described by the RSCT or Security Communities. But we can see the diversity, difference and divergence in the types of the leftist shift. And while the identity is strong, its implications prevent a creation of the anticipated supranational regional body or transferring of sovereignty. The shared historical and



cultural values are the source of the weak integration and with the differences still persisting, Third Worldism seems to be the only one not quickly to assume functionalistic integration due to the shared values and identity.

## **ANALYTICAL SUMMARY OF THE POST-LIBERAL INTEGRATION**

The four different clusters offered a debate of the South American realities from various points of view and offered us a complex view of the main regional dynamics. Needless to say, the post-liberal integration is not a conventional and classical type of regionalism as the economic and political dynamic prevents a traditional functionalistic and liberal sort of cooperation. As described above, this is mostly due to the post-Colonial historical setup of the South America' economy as an export-based developing periphery dependent with an unfavorable role in global supply chains. After MERCOSUR's failure the UNASUR's rejection of the traditional economically oriented integration shifted its focus to other areas like democracy promotion, infrastructure, energy or security. But with the diversity and dominance of national interests, culturally weak notion of institutions, consensual voting, and a strict policy of non-intervention consequently rejecting possibility of an institutionalized supranational regional project, only very little has been achieved in these areas within UNASUR as member states hijack the regional agenda for their individual goals. With the empowerment of the state actors caused by the lack of institutional power of the organization's inter-governmental model – enforced by strong presidential systems and culture of strong leaders - the agenda is dominated by those national interests. Considering political diversity and ideological fragmentation of the region, the only major factor pushing the states to join UNASUR are the aspirations for regional autonomy, self-identification, and creation of a South American identity. As this identity comes out of the above-described cultural and historical values, it is built on the inherent defense of non-intervention and a strong emphasis on protection of state-sovereignty. This is given by the historical necessity of nationalism, ingrained rivalry, and most importantly it is a product of the inward internal security dilemma, where the unconventional threats are threatening state sovereignty from within forcing the states to prize and uphold state-sovereignty as its most precious security guarantee. While the region has limited the traditionally heavy hegemonic presence of the United States, it has not expunged it completely and instead rather substituted it by Chinese influence. With the absence of a sufficiently strong regional

hegemon who would unambiguously win the support of regional powers by promoting multilateral governance, UNASUR is left without a leadership.

Post-liberalism has been described as the origin and the main driver of the new wave of integration in South America under the regional organization UNASUR. While this has been the case, a close look on the regional dynamic showed the real nature of such an integration and its true values. These principles and dynamics described above tell us that while the post-liberal shift has indeed created the necessary unifying identity, it is one that unifies but does not integrate. The post-liberal regionalism is, therefore, reciprocal. It creates some sort of a unifying umbrella, but it does so with the values of non-interference, state-sovereignty protection, and regional autonomy with a non-economic emphasis. It could be said that the principles that brought the states together are also at the same time the ones that protect them from each other or rather from more integration.

## **CONCLUSION**

In the contemporary theoretical debate over regionalism, the South American case can be partially explained by various approaches. While some theories successfully identify various factors and dynamics, none of them completely explains the South American regional dynamics.

The first chapter analyzing the political and economic dynamic showed us a different trajectory of South American regionalism. The Critical Theory correctly identifies the anti-neoliberal underline of regional dynamics, which goes along with the autonomy drive that aims to create an independent project. Despite that, the theory does not consider its implications of such a dynamic, because it downplays its assumptions by anticipating a regular economic integration in the European sense. The theory expects state-sovereignty being diminished or ceased with an argument that weak states are more likely to cooperate, but the reality seems to be contrary. The historical nationalism, state-sovereignty protection and a variety of strong national interests effectively reject any possibility of an institutionalized integration. This has, as a result, the absence of an overhauling supranational body pulling UNASUR together, eventually making states cease sovereignty. With Critical Theory being able to pick up some very valuable points, it misses out with its still Eurocentric assumptions over state-sovereignty and liberal integration. If we were to follow its inductive emphasis and built up the type of an integration as Critical Theory seemingly proposes, it would suggest that South

American would go the opposite way than European regionalism. Mohammed Ayoob sees the political ambitions of Third World regionalism as aim at bringing regional order, which is much more applicable to South America.

The second chapter showed us somewhat of an unclear hegemonic environment. This is correct, as the South American space is not dominated by only one world power. At the same time, we cannot say there is a clear ever-ruling hegemon, but the global powers are present just purely out of the economic or material necessity. The drive for autonomy and self-identification emphasized by the Critical Theory is applicable in the case of UNASUR that has built its identity on providing South American autonomy for its members. It does so by rejecting the classical neoliberal orders, acting as an anti-American power rejecting the traditional US dominance. While the region tries to resolve conflicts without extra-regional intervention, this has not really been the case either. The drive for autonomy is rather incomplete. With China becoming one of the two most important regional partners by increasing dramatically its economic presence by FDI, manufactured imports and primary resources demand, they have refrained from exerting political influence. At the same time, the United States remains a major economic and political power despite its decline that is rather relative as they still have a strong presence in Colombia, Peru or Chile despite facing rather unfriendly weakened relationships with Venezuela, Bolivia, Argentina and in some ways Brazil. Mohammed Ayoob uses the three types of penetration to identify the form of extra-regional penetration, but none of them truly fits the hegemonic interplay between China and the US. The calls for autonomous regionalism sent out by UNASUR has been partially answered by the US, whether only by its disinterest in the region or a failure of its traditional foreign policy. Yet, as Washington is reproaching Latin America with a new open agenda signaled by the Cuban opening and Obama's success at the OAS Summit of the Americas, it will have to engage in a different manner, allowing for the South American autonomy and self-determination. The Critical Theory answers the role of extra-hegemons a lot more accurately when it sees regionalism as a way to fend off the traditional American dominance. But it does not get to a point of a complete expulsion as both China and the US play indispensable political and economic roles for the region, with Washington continuing their security influence in the area of unconventional threats.

The regional autonomy should be then exemplified by a strong regional leadership. Mohammed Ayooob sees a strong pivotal regional power as a factor constituting a regional security complex. But Brazil does not fulfill his requirements. We cannot firmly conclude that the country has a sufficient degree of legitimacy from regional states. Its leadership and ambitions are rather self-oriented and aimed at increasing its own international role, moreover, Brazil's rejection of any supranational integration shows that it is not willing to cede powers to any regional institution, rather, UNASUR is a way of projecting Brazilian influence and goals over the region. These previously debated factors are one of the reasons Brazil does not pose as a legitimate leader in South America. Additionally, it does not receive the needed trust from member states because the traditional concepts of rivalry, ingrained in the South American culture. The example of Argentina's rejection of Brazil's international ambitions at the WTO or the UN paint a picture, where not even the biggest partner of Brazil does not view the country as a legitimate leader. Mohammed Ayooob also mentions the necessity of a pivotal power to possess the needed managerial powers and the ability to lower or increase a conflict or to coerce rivals. The economic and political strength of the Portuguese-speaking country has been rather weak and with the current crisis it is not able to fulfill the role of a paymaster or a regional integrating power. Yet, Brazil does not act at the mercy of other global powers as Barry Buzan suggests, and it even defies them. The region is then somewhere in the middle of all the theories. It thrives for autonomy as it builds its identity on it, but only merely lowers the extra-regional presence in a bipolar way by substituting it with another. In another way, the regional leadership of Brazil is not strong enough to give South America its autonomy.

The security cluster showed a dynamic dominated by rivalry, unconventional threats and state-centric view of security issues limiting its cooperation to trust building measures. Mohammed Ayooob and Third Worldism identifies the security dynamics precisely, as state-sovereignty enforcing because of the inward security dilemma caused by weak states and unconventional threats. This gives the nature of security threats they key importance as they are the ones deciding the type of integration. In the case of a region full of unconventional threats like we see in South America, the integration is unlikely to have the same traits as integration in a consolidated space like Europe. Additionally, it is precisely pointed out that it is regionalism without integration, a

description extremely applicable to UNASUR. Yet, the regional security theory is in many cases limited by only taking into the account the conventional traditional interstate threats which is the case with Security Communities and Barry Buzan's RSCT that focuses on the traditional patterns of rivalry and enmity. Additionally, South America is plagued by the historically of enforced state-sovereignty and nationalism ingrained rivalry that persists and is connected to the mentioned concepts. The rivalry still remains one of a constituting dynamics of the security order in the area but in somewhat of a controlled manner in a sense of Alexander Wendt's typology it combines between the Lockean and Kantian regime.

The South American states have been committed to finding peaceful solutions to their differences over territorial disputes or economic disagreements in a logic of Karl Deutsch's Security Community and still approach security from a state-centric view with the rejection of the supranational multilateral understanding of security. This type of security perception is limited to ideological and geopolitical dimensions represented by the autonomous attempts of rejecting the US dominance. The original understanding of Security Communities by Karl Deutsch, therefore, picks up the regional security dynamic correctly. The real security issues pertaining to the South American region, unconventional cross-border issues, are left unanswered and to the states themselves, but also, the overall state-centric nature of the CDS goes along with the Security Communities concept. However, its constructivist explanations of Emmanuel Adler and Michael Barnett or Andrej Tuscicisny fail to interpret correctly the South American dynamic. The ambiguous and sporadic responsiveness to other country's needs is accompanied by the absence of shared practices of political decision-making. The shared values and culture are built on the state-sovereignty enforcement, nationalism, non-institutionalization and strong presidential systems and while determinant, they just like with the Critical Theory crush its own premises by not following the traditional institutionalized supranational pattern of integration. Karl Deutsch is a much more accurate as he viewed Security Communities still maintaining the security approaches as state-centric.

Lastly, the identity cluster uncovered the shared historical, cultural and political values. Contrary to the assumptions of the Critical Theory, we cannot say that the regionalism in South America has created a homogenous political and economic space as described by Bjorn Hettne. While the post-liberalism could have, it is not the case as the shit was rather heterogeneous and now shows

ideological and political differences. Shared values, history and culture that are described as a predisposition by Emmanuel Adler and Michael Barnett are without a doubt key. But in the case of South America, they are reciprocal and uniting while at the same time limiting. And contrary to the SC expectations, they do not lead to a transfer of sovereignty to a supranational body. Unlike the other, Third Worldism that see integration happening in a different manner, truly originating from the regional realities while realizing the contribution of shared values, but not giving them such a great importance.

To summarize, South American post-liberal integration can be explained through the various assumptions of the above-discussed theories. With the autonomy and creation of the South American identity being the main drivers of the post-liberal integration, its resulting dynamic is based on protection of state-sovereignty that enforces the non-institutionalized inter-governmental model originating in cultural, economic, historical, social and ideological basis. And as the protection of state-sovereignty is acting as a backlash in European Union, in South America the integration has a different trajectory putting this value at its center – and therefore potentially avoiding any clashes over its weakening. This can then serve as an example of an alternative post-liberal integration.

The post-liberal integration shows many signs of new regionalism. It has the drive for autonomy with aims to expunge the traditional hegemonic presence and economic liberal dominance with ambitions to consolidate and create a new regional identity, built on region's shared values, historical contexts and principles. The traditional concepts of rivalry and enmity and amity still delimit the security dynamic of the region, but not in a traditional sense, but rather by its more profound implications for the integration dynamics. However, the implications of these assumptions offered by Critical Theory, realist perceptions of Regional Security Complex Theory or constructivist understanding of Security Communities fail to describe accurately the trajectory and nature of integration. Mohammed Ayoob's Third Worldism and Karl Deutsch's original assumptions over Security Communities are much more successful in describing the traditional state-centric understanding of security and strengthening of state-sovereignty.

Nevertheless, the post-liberal drive of South American integration has a reciprocal effect. And while its identity offered the main impetus for the creation of UNASUR, its very own specific

nature and also determines, and delimits, the type possibilities of its integration. Its dynamic revolving around state-sovereignty enforcement, nationalism, non-institutionalization and strong presidential systems and state-centrism without any willingness to cede sovereignty to a supranational body implies inherent faults and limitations. And while Critical Theory, Security Communities in Adler and Barnett's sense or RSCT see the shared values and regionness pushing towards institutionalization and creation of a supranational body connecting the nations, Third Worldism sees regionalism as uniting but not integrating. This demonstrates the continuous deductive approach of these theories that are still in an expectation of a Euro-styled post-Westphalian economic integration. However, if we analyze the variable of shared values and regional cultural and social realities without any extra-regional assumptions, we see that regionalization can have a form of a reserved and state-sovereignty enforcing model that avoids institutionalization, serving as a space for dialogue but at the same time empowers the regional identity. Finally, the principles of such an integration inductively built up from the South American realities are also its own limitation.

Finally, the deductive approaches to regionalism serve as an essential and useful tool for analyzing certain factors and regional characteristics, but they fail in predicting the regional dynamic and its nature, because they bring in the extra-regional expectations. When we take the concepts of rivalry, the balance of power, hegemony or identity and shared culture, history and values we can comprehensively describe regional characteristic. But where the theories have failed, is in bringing the systemic assumptions of anticipating functionalistic integration in the European sense. Needless to say, it takes an inductive approach to direct them and make assumptions about the final trajectories and principles of regional dynamics with the deductive tools and factors are only useful when utilized within the context of inductive assumptions. The contemporary multipolar world only empowers the regional-specific values and features, and therefore, this thesis shows that international relations ought to be studied inductively to avoid systemic downscaling and embrace key regional characteristic.

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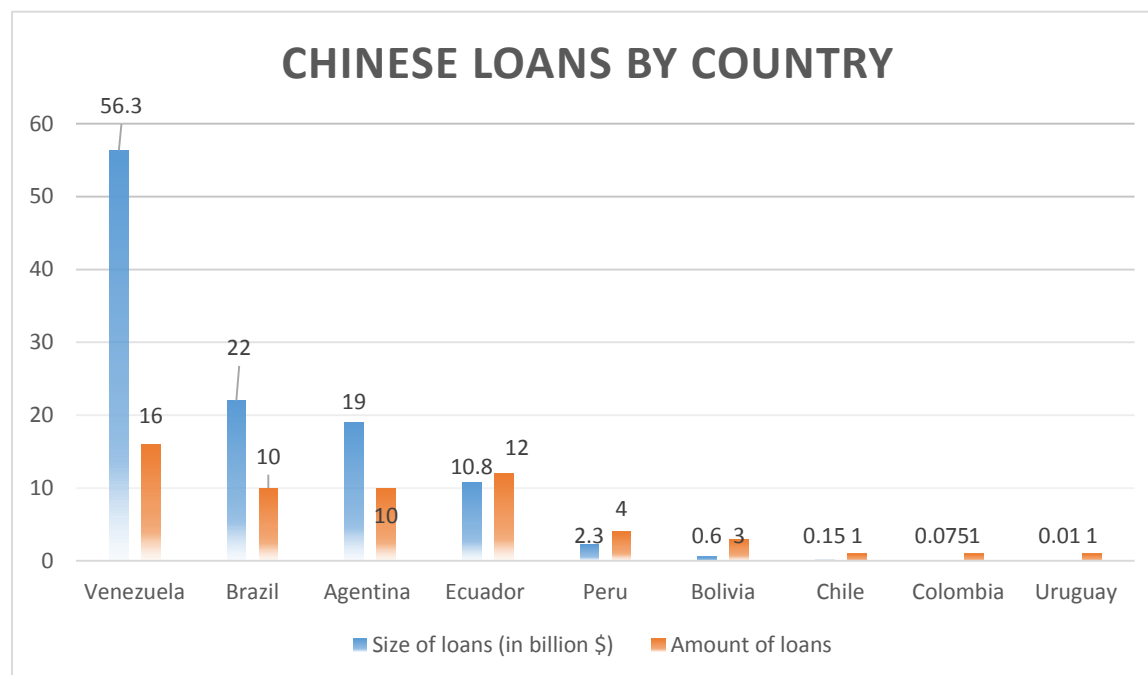
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## APPENDIX

### Graph 1



*Source: Inter-American Dialogue 2014, Available at <http://www.thedialogue.org/PublicationFiles/TheNewBanksinTown-FullTextnewversion.pdf>*

### Table 1

#### TOP 3 trade partners by country

<p><b><u>Argentina</u></b>            Export: Brazil 21%, China 6.3%, Chile 5.6%            Import: Brazil 27%, China 15%, USA 13%</p> <p><b><u>Brazil</u></b>            Export: 17% China, 11% USA, 7% Argentina            Import: 15% China, 14% USA, 7% Argentina</p> <p><b><u>Bolivia</u></b>            Export: Brazil 32%, USA 16%, Argentina 15%            Import: Brazil 17%, Chile 14%, China 12%</p> <p><b><u>Colombia</u></b>            Export: 35% USA, 5.3% China, Spain 5%            Import: 25% USA, 17% China, Mexico 11%</p> <p><b><u>Chile</u></b>            Export: China 23%, USA 12%, Japan 11%            Import: USA 23%, China 18%, Brazil 6.4%</p>	<p><b><u>Ecuador</u></b>            Export: USA 41%, Peru 8%, Chile 7.7%            Import: USA 27%, China 11%, Colombia 8%</p> <p><b><u>Paraguay</u></b>            Export: Brazil 20%, Russia 14%, Germany 8%            Import: China 28%, Brazil 24%, Argentina 13%</p> <p><b><u>Peru</u></b>            Export: China 17%, USA 14%, Swiss 11%            Import: USA 19%, China 18%, Brazil 6%</p> <p><b><u>Venezuela</u></b>            Export: China 32%, India 26%, Singapore 8.5%            Import: USA 20%, China 19%, Brazil 11%</p> <p><b><u>Uruguay</u></b>            Export: Brazil 17%, Free Zones 14%, China 10%            Import: Brazil 17%, Argentina 15%, China 14%</p>
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*Source: R Hausmann, CA Hidalgo, S Bustos, M Coscia, S Chung, J Jimenez, A Simoes, M Yildirim. (2011) The Atlas of Economic Complexity. Puritan Press. Cambridge MA.*

*Charles University in Prague*  
Faculty of Social Sciences

Master's Thesis

*Deductive vs. Inductive Approach to Regionalism*  
*Drivers and Dynamics of Regional Security in South America*

*Petr Bohacek, BA*

*Security Studies*

*2014/2015*

*Thesis Supervisor: PhDr. Vít Štřítecký, M.Phil., Ph.D.*

*Prague, June 15<sup>th</sup> 2014*



## ***1. Research Topic***

South America as one of the most complex security regions in the world has experienced various security integration attempts. It is not a typical place filled with conventional security threats, rather it is characterized by unconventional security issues with a mix of post-colonial and Third World features. On the other hand, the historical experience of this region is quite unique and represents a strong influence of Western thinking from the ruling European elites leaving a permanent liberal mark. The political dynamic of South America is built on Western concepts but works very differently. The shared historical, cultural and linguistic background ought to create a perfect environment for security integration according to the liberal thought. Yet the post-Westphalian Eurocentric theories fail to prove themselves correct in South America. With new security integration processes under the UNASUR's regional security body, the South American Defense Council (CDS) the continent is revisiting regional security integration initiatives. Regionalism as an IR theory has been rather dormant during the Cold War period, dominated by realism and global bipolar overlay, just to be resuscitated in the modern era. New approaches to regionalism range across various theoretical approaches to IR. On one hand we have the traditional approach ranging from Buzan's Regional Security Complex Theory and Karl Deutsch's Security Community with its later revisions from Adler and Barnett that embrace a deductive approach of building theories from the above, based on a set of accepted and anticipated factors. On the other hand we have rather inductive approaches from Critical Theorists or Third World theories of Mohammad Ayoob that point out to some factors inherent to the region's characteristics and are able to pick up region-specific dynamics. This Master Thesis will attempt to characterize the regional security dynamics and drivers in South America by analyzing it through both deductive and inductive theoretical lenses. Therefore, this work will have two aims, first ontological study of the South American regional security integration and second, epistemological contribution to the way regional security ought to be studied.

## ***1.2 Research Design***

This research project will firstly summarize and review the literature behind the main theoretical approaches to regional security integration. As none of the theories are fully applicable, they cannot be tested in a whole. Since each theory emphasizes different factors and dynamics they all will be tested in the South American space. This Lakatosian approach will let us analyze the South American region from various points of view. The accepted auxiliary hypothesis will create a set of findings that will allow for a throughout identification of main factors and drivers of the South America regional dynamics.

Among the factors that will be tested will be the shared historical, cultural and political values, common identity, role of extra-regional powers versus the regional autonomy, role of the regional hegemonic power and the patterns of amity, enmity, rivalry, alliances with the traditional security

and geopolitical characteristics. This will allow to understand the aspects of security integration in South America from different and at the same time advance the debate between inductive and deductive approaches to regional security.

## ***2. Theoretical framework***

The theoretical approaches that will be used to characterize South American security integration will span from Barry Buzan's Regional Security Complex Theory, Karl Deutsch's concept of security communities with his later advancements by Adler and Barnett, Mohammad Ayoob's Third Worldism and Critical Theory regionalism around Bjorn Hettne.

The main difference build up around deductive versus inductive approaches and whether the global overlay of IR theories is applicable on the regional level as well. It mainly builds on the European experiences and overall global system theory and attempts to apply it on a small scale. The post-Westphalian understanding of regionalism functions also as a pushback towards world hegemony and as a tool to increased regional autonomy. Buzan's Regional Security Complex Theory is used as one of the main further analyzes regional security complexes further, while giving the regional level analysis some sort of importance, but always returning to the global level as the determinant one together with the traditional realist principles of polarity or balance-of-power. Karl Deutsch's concept of security community build on levels of interaction and mutual trust with a realistic expectations for the role of the state, while the security community of Emanuel Adler and Michael Barnett sets shared values as the determinant factor with some post-Westphalian integration expectations. Mohammed Ayoob's Third Worldism on the other hand is built on an inductive approach to regional security that diminishes the overlay of international systems. It argues against the Eurocentric analysis of key principles of regionalism implied from either European experiences or global system and sees the regional security dynamics as originating instead from specific environments and threat perceptions. The Critical Theory adds to the rejection of any deductive theorizing by exploiting the dynamic of regionalism as a reactionary force of globalization and super power hegemony aimed at created autonomy and regional identity. These two inductive approaches built on the regional realities to grasp the regional dynamics.

Literature review of these four theoretical bases will provide a strong theoretical ground for the later analysis of the region between deductive and inductive approaches.

## ***3. The Characteristics of the South American Regional Dynamic***

### ***3.1 Post-liberalism, the new identity***

A unique political, cultural and historical mixture in South America gives it to a special characteristic that has been moved to a new level starting the 2000s. The post-liberal shift has brought about a very dramatic change of the regional dynamics in South America that has affected the security integration in three particular ways; the ideological change known as the Pink Tide.

The leftist shift of the 2000s has brought a new understanding of regionalism in Latin America out of which two main new security alliances have spurred out, UNASUR's Council of South American Defense (CDS) and ALBA, the Venezuelan led security and economic alliance. The new form of regionalism is originating in the regional ideological shift and defines the characteristic of the security integration. The shared values variable is not only accounting for specific forms of cultural, identity, economic and political likeness that Bjorn Hettne analyzes, but it also describes the different shared values in the area of regional integration that can be completely different from others. Karl Deutsch considered compatibility of major values relevant to political decision-making, while his followers Adler and Barnett consider it determinant. But regionness is another key concept that provides us with a better understanding of the regional dynamics according to various theoretical approaches. It is clearly stressed by the constructivists and critical theorists.

### ***3.2 Extra-regional influence vs. regional autonomy***

Extra-regional influence is always occurring and is influential in the creation of a regional complex. A key trait of the post-liberal shift in South America is the realignment from the traditional partnership with the United States and the West in general. This has occurred mutually and the decline of Washington's presence has led to two important developments that shape the type of security integration in South America. Firstly, it is the hegemonic vacuum caused by the political exit of the US that is accompanied by increased Russian and especially Chinese presence that represents the fastest growing source of FDI. Regionalism sees extra-regional influences from various levels. To Buzan great powers are always intruding and affect the regional dynamics by siding with one or the other country. To critical theorists, extra-regional presence is the source of regionalism as it reacts to it. Since the Chinese interests in South America are primarily economic and apolitical and Russian activities very limited to the more radical governments, the next greatly important feature of the post-liberal shift is the growing South America autonomy. In this post-colonial regional with many years of heavy US presence under the Monroe Doctrine, Plan Condor or Washington Consensus the leftist shift combined with the absence of the traditional hegemon offered the first historical opportunity for South American to find real autonomy and independence. This feeling reflects onto the security integration heavily but confronts its limits also. Despite the obvious reasons and the shared culture the region struggles to find and identify the common South American identity. Critical theorists pay the most attention to the sense of region building in a response or defense against hegemony. This variable is particularly key for Bjorn Hettne or Louise Fawcett. The goal of creating politically self-dependent security community and autonomous regional are further described by Amitav Acharya. The creation of identity that is collectively and globally recognized with a high desire for autonomy is another trait of security regionalism that Mohammad Ayoob describes in his third worldism view.

### ***3.3 Regional Power: Brazil's Regional Leadership***

One of the crucial factors in security integration mainly for realist theories is the presence of a strong hegemon. The only aspiring regional hegemon is Brazil. Its global ambitions to become a world power must be backed by a strong regional position. However, Brazil's behavior is rather ambiguous, facing skepticism from the Spanish-speaking countries for its unilateralism. Brazil's leadership in security integration is determined by its willingness, potential, authority, acceptance by others and most importantly by capability of investments. The ability to embrace the role of the paymaster is crucial as well as to integrate the ideologically opposing regional states. The role of a pivotal regional power is a preconditional to the creation of a regional security complex according to Mohammad Ayoob. Adler and Barnett talk about hegemonical power as a magnet or coercive force that facilitates building of a security community. The analytical framework of Stefan Schirm for examining a regional power will serve for examining this variable.

### ***3.4 Geopolitical and security environment***

South America is distinguished for its high levels of amity, but many border disputes and interstate conflicts persist in a hibernating state between Venezuela and Colombia or in the triangular manner between Bolivia, Peru and Chile. Rivalry, alliances and balance of power is are some of the key concepts for realists and Buzan applies them in his RSCTs to analyze regional dynamics. He makes a use of the three types of security environment from Alexander Wendt to do this. Additionally, Mohammad Ayoob views security interdependence as a key factor in a creation of security community, especially in the third world, where threats come rather from within. Karl Deutsch analyzed the ability and willingness to be responsive but also accounts for interactions between states as a key variable in analyzing the levels of friendliness and cooperation, essential to creation of his security community.

## ***4. Regional Security Dynamics and Theories of Regionalism***

The summary of the findings from the analysis of five variables will give a complete overview of the major elements of the regional security theory across various approaches. The set of auxiliary hypotheses will allow for drawing up a conclusion of the security dynamics in South America. Besides describing the regional security dynamics, the paper will also be able to contribute to the academic debate over theories of regionalism. This research will further attempt to discuss the dynamics of the two opposite powers of regionalism the inductive and deductive forces, as well as the conflict between the levels of regional autonomy versus influences of global great powers.

## Outline

1. Introduction
2. Theoretical Framework
  - a. Critical Theory
  - b. Third World Regionalism
  - c. Regional Security Complex Theory
  - d. Security Community
3. Methodology
4. Main Themes and Features of South American Security Integration
  - a. Post-liberalism, the new identity
  - b. Extra-regional influences vs. regional autonomy
  - c. Regional Hegemony and the role of Brazil
  - d. Geopolitical and security environment
5. Summary of the regional characteristics
6. Discussion of the theoretical findings
7. Conclusion
8. Bibliography

The bibliography will be based on mainly English, Spanish and Portuguese written texts and will include mostly secondary literature but also primary sources.

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