Critical Debates

Resilient or Declining? Latin American Regional Economic Blocs in the Postneoliberal Era

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Olivier Dabène, *The Politics of Regional Integration in Latin America: Theoretical and Comparative Explorations*. New York: Palgrave Macmillan, 2009. Tables, figures, notes, bibliography, index, 287 pp.; hardcover $100.

Laura Gómez-Mera, *Power and Regionalism in Latin America: The Politics of MERCOSUR*. Notre Dame: University of Notre Dame Press, 2013. Tables, figures, notes, bibliography, index, 304 pp.; paperback $35.

Pia Riggirozzi and Diana Tussie, eds., *The Rise of Post-Hegemonic Regionalism: The Case of Latin America*. New York: Springer, 2012. Tables, figures, bibliography, index, 211 pp.; hardcover $139.

Andrés Rivarola Puntigliano and José Briceño Ruiz, eds., *Resilience of Regionalism in Latin America and the Caribbean: Development and Autonomy*. New York: Palgrave Macmillan, 2013. Notes, bibliography, index, 286 pp.; hardcover $95, e-book.

Are postneoliberal regional economic blocs in Latin America resilient or declining? Is the politicization of integration issues an indicator of resilience or decline? What are the implications of the "return of the state" for postneoliberal regional blocs? Scholars provide very different—sometimes contradictory—answers to these questions, using alternative definitions of resilience and decline. Integration optimists argue that regional blocs in Latin America are alive and well, but integration pessimists claim that postneoliberal regionalism is not transformative and is condemned to failure.

The four books under review here contain contributions on both sides of this issue, showing that scholars are seeking to escape the straitjacket of the distinction between "old" and "new" regionalism. All four volumes are well researched, the scholarship is excellent, and they all contribute to open new avenues of research and the elaboration of a theoretical framework that could explain not only the emergence of postneoliberal regional blocs but also their prospects for survival in the era of globalization.

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Is There a Latin American *Acquis Communautaire*?

Resilience of Regionalism in Latin America and the Caribbean is an ambitious attempt to explain the persistence of the regionalist idea in Latin America despite repeated failed attempts at regional integration. The authors argue that these are not "failures" but "aggregate experiences," which "are constitutive parts of an *acquis* of Latin American and Caribbean regional integration" (259). There are two problems with this approach. First, earlier integration initiatives were failures, if one defines failure as the nonachievement of objectives stated in the founding document(s) of an IGO. Clodoaldo Bueno, Tullo Vigevani, and Haroldo Ramanzini Júnior recognize this in the chapter on the Brazilian view: "In earlier decades, the 1940s, 1950s, and 1960s, integration-driven initiatives [in the region] appeared sporadically. *None of them succeeded*" (228, emphasis added).

Second, in the literature on the European Union, the term *acquis communautaire* has a precise meaning: it refers to "all the principles, policies, laws, practices and goals agreed and developed within the EU" (McCormick 1999, 108), including case law, binding regulations, directives, and decisions resulting from the existence of supranational institutions. This is a metaphorical legal concept referring to concrete real progress made in the EU since the establishment of the customs union in 1968. The term *acquis* cannot be loosely applied—without changing its meaning—to the "build-up" of the "idea" of regional integration in Latin America since the early nineteenth century.

After analyzing three different dependency theory approaches to regional integration, Angel Casas-Gragea concludes that "none of them gave regional integration a central role in the development of Latin America" (76). However, the editors argue that there is a "Latin American theoretical *acquis*" that "goes well beyond" the contributions of economic structuralism and the dependency school (263). For them, a "theoretical *acquis*" is the autochthonous historical development of independent thought on regional integration, but as Olivier Dabène notes in the foreword (viii), "this notion of *acquis*, imported from the European vocabulary, probably deserves further elaboration, as it cannot refer only to a legal dimension, traditionally weak in Latin America."

Resilience of Regionalism does an excellent job of showing the long tradition of continuing support of the idea of integration among Latin American thinkers and political elites, from the earlier days of independence to Hugo Chávez's Bolivarian proposal. Yet it neglects the "paradigmatic changes"—mentioned by Dabène in the foreword (ix)—that have occurred in the implementation of the regionalist idea since World War II.

The book recognizes "the importance of contemporary analysis" (5), but while embracing a long-term perspective, it rejects the "temptation of 'presentism,'" arguing that it is necessary to "go beyond presentism in the interpretation of the past based on current events" (259). However, the present matters a lot, and the failures of contemporary regionalism in Latin America cannot be downplayed with "deeper

historical analysis"; they require a good dose of effective, policy-oriented analysis of the contemporary roots of those failures, looking at both the internal and external agendas of regional groupings and the gap between the goals stated in foundational documents and actual achievements. It is also important to look at present sources of regionalist decline, including present changes in the international environment and the regional blocs' relations with the great powers. This is not to dismiss the importance of historical analysis in order to understand the present, but to rescue the policy relevance of current internal and external conditions in affecting the future prospects for survival or decline of regional blocs.

Solving "Dabène's Mystery"

The other three books explain what Rivarola Puntigliano and Briceño-Ruiz call Dabène's mystery ("consistency despite instability, resilience despite crises") using the tools of the political scientist rather than those of the historian. Dabène's book has become an obligatory source for scholars seeking to understand the dynamics and contradictions of contemporary regionalism in Latin America. In *The Rise of Post-Hegemonic Regionalism*, Riggirozzi and Tussie make two important caveats. First, it is important to avoid an essentialist characterization of Latin America, a "vast and uneven continent of many contrasts" (10). Second, the region's political economy is characterized by the crisis of neoliberalism, which has important implications for the prospects of survival of both "old" and "new" regional economic blocs.

Dabène's book provides a very useful framework to compare those blocs, building on the old literature on regional integration in Europe and Latin America (see, e.g., Haas and Schmitter 1964) while introducing a "theoretical guideline" (5–11) that includes more recent contributions, such as Andrew Hurrell's five categories of regionalism (Hurrell 1995) and Björn Hettne's five levels of "regionness" (Hettne 2003). Dabène's book focuses on four main regional integration processes: Mercosur, the Andean Community, the Central American Integration System (SICA), and CARICOM/ACS (Association of Caribbean States).

Dabène analyzes Latin American regionalism as a cyclical process, consisting of sequences of deepening followed by crises, leading to "repoliticization" and a new sequence of deepening, perhaps with new goals and means to achieve those goals: "Each crisis has been followed by a reactivation, putting the process on a new path more or less every ten years" (4).

The ability to reactivate is an indicator of resilience, and helps to explain the emergence of postneoliberal regionalism, provocatively examined in Riggirozzi and Tussie's book. Until now, as Axline pointed out in the early 1980s, "one of the most remarkable features of Latin American regional integration has been its capacity to survive and remain active and dynamic in the face of numerous obstacles, shortcomings, and failures" (Axline 1981, 176). Yet there are limits to the ability of regional blocs to overcome a state of "permanent crisis." For example, one may argue that Mercosur risks the danger of becoming irrelevant if it remains suspended in its present "transition" phase, without completing the customs union and moving toward a common market.

MERCOSUR'S "ENDEMIC WEAKNESS" AND "INERTIAL SURVIVAL"

Power and Regionalism in Latin America makes another important contribution to solving Dabène's mystery. Laura Gómez-Mera warns against excessively optimistic predictions about Mercosur's prospects for survival: "While it would be inaccurate to dismiss the progress made toward integration in the Southern Cone in the past two decades, one should be careful not to equate survival with successful economic integration or cooperation. MERCOSUR still exists, but on several dimensions, the process of economic and political integration has stagnated" (214).

Gómez-Mera's pathbreaking book uses neoclassical realism as a framework to explain Mercosur's "inertial survival" (7). Neoclassical realists argue that systemic imperatives—the anarchic nature of the international system—do not fully explain a country's foreign policy. Those imperatives are "mediated and filtered" by domestic factors, including societal pressures and state actors. Following the neoclassical realist framework (see, e.g., Lobell et al. 2009), Gómez-Mera opens the "black box" of the state and disaggregates it into three state agencies: "(1) the foreign policy executive; (2) the sectoral agencies; and (3) the economic team" (42). She also considers the "private sector" as a fourth, domestic-level intervening variable (see figure 3.1., 46).

The neoclassical realist model is difficult to operationalize, but it has the advantage of going beyond the excessive focus on relative gains problems of a purely neorealist approach, which has mired the literature on Mercosur for years (see, e.g., Manzetti 1994) and has led to an excessively pessimistic assessment of the bloc's prospects for survival.

Gómez-Mera's book is an excellent contribution to the debate between integration optimists and integration pessimists. It shows that although Mercosur has proven to be more resilient since 2003 (205), its survival is not a foregone conclusion. As Gómez-Mera notes, "Brazil's instrumental view of Mercosur as a vehicle for consolidating its role as a regional power and, increasingly, as a global player has contributed to the survival of the regime, but also to its endemic weakness" (197).
Civil society actors have always played an important role in keeping alive the idea of regional integration in Latin America. Dabène's book devotes a whole chapter to "integration from below," and two chapters in *The Rise of Post-Hegemonic Regionalism* tackle the impact of civil society actors on the dynamics of postneoliberal regionalism. Marcelo Saguier's "Socio-Environmental Regionalism in South America" shows how important civil society organizations are in the politics of postneoliberal regionalism in South America. He provides a wealth of empirical information on the emergence of a "regionalism from below" that challenges a purely "economic" approach to regional integration and development. The costs of such an approach include "impoverishment, displacement, health hazards, ecological devastation, and even cultural extinction" (142).

Saguier shows the need to respect and advance "international human rights principles" in postneoliberal regional integration efforts, such as the Union of South

American Nations (UNASUR). On the other hand, Andrés Serbin's chapter shows the limits of civil society participation in postneoliberal regional blocs, even in the case of the Bolivarian Alliance for the Americas (ALBA). According to Serbin, although "social movements were able to gain a significant relevance up until the [2006] SACN Cochabamba Summit," in the absence of institutionalized channels and mechanisms, "the participation at and planning of parallel Social Summits decreased substantially" after that conference, casting doubts "on how and to what extent postneoliberal models of regionalism effectively tackle the issue of democratic deficit in regional institutions" (161, 163).

Politicization, Resilience, and Decline

A key issue is whether the politicization of regional blocs in the postneoliberal era is an indicator of resilience or decline. In his contribution to *The Rise of Post-Hegemonic Regionalism*, Andrés Malamud argues that Mercosur's politicization helps to explain "the significant shortcomings of the bloc" (170). In contrast, in his contribution to the same volume, Dabène argues that politicization is not necessarily an indicator of failure. According to Dabène, "most Latin American integration processes were politicized during their foundational sequence and their promoters designed institutions that proved to be very resilient in the long run" (41). However, this claim is just a hypothesis to be empirically tested. Dabène presents the Andean Community as a success story of resilience even though—as he admits—the 1996 Trujillo Protocol has significantly undermined the supranational prerogatives of the junta (51) and the grouping has almost broken down since Venezuela's departure to join Mercosur. Ecuador under Rafael Correa and Bolivia under Evo Morales essentially have abandoned the Andean Community, strongly supporting Venezuela's critique of the neoliberal orientation of the bloc. Dabène argues that—as in Central America—"a symbolic dimension is also important in the Andean region" (49). However, is it enough to speak of resilience?

According to Dabène, politicization "implies that the actors consider economic integration as an instrument to reach political goals, such as crisis resolution or consolidation of democracy" (42). The promotion of democracy and respect for human rights in the Southern Cone is certainly a major achievement of Mercosur. Yet in postneoliberal Mercosur, ideology has driven the agenda since the formal admission of Chávez's Venezuela in 2006, while the "real" economic agenda—completion of the customs union and moving toward a common market—remains unfulfilled.

Gómez-Mera's book (see esp. 213–17) supplements Dabène's sequential approach, showing the limitations of a postneoliberal politicized Mercosur. The sequences of politicization discussed by Dabène are explained by Gómez-Mera using a neoclassical realist model that takes domestic factors into consideration. For Gómez-Mera, systemic—"external"—factors, including "defensive considerations, reflecting a shared sense of external vulnerability" (197), help to explain Mercosur's survival, but in order to understand its "endemic weakness," one needs to look at critically important domestic intervening variables.

The Latin American Regionalist Map and the Future of Postneoliberal Regionalism

Will postneoliberal regional blocs in Latin America successfully accomplish their objectives or slide into an era of permanent decline? The books under review do not provide a definite answer to this question. Their response varies from optimism (Rivarola Puntigliano and Briceño Ruiz) to cautious optimism (Riggirozzi and Tussie and Dabène) to cautious pessimism (Gómez-Mera). One might argue that as these regional groupings move from one crisis to the next, a "reality check" may be fast approaching. As Hettne notes, "Since regionalism is a political project, created by human actors, it may, just like a nation-state project, fail" (Hettne 2005, 548).

The decline of regional blocs is an understudied area of research. Regional decline can be defined as "decreasing regionness" (Hettne 2005, 548). A cursory examination of regional integration efforts in Latin America after the failure of the FTAA project in 2005 shows increasing fragmentation and the failure of the "new regionalist" blocs established in the 1990s (Mercosur, the Andean Community) to achieve their objectives.

Scholars of regional integration make the crucial distinction between regionalization, defined as "the process of economic integration that is driven from the bottom up by private actors such as firms in response to the opportunities created by the liberalization of investment and trade," and regionalism, defined as "*state-led* efforts to deepen regional integration through the fostering of other *formal* mechanisms to support institutionalized cooperation and collective action" (Capling and Nossal 2009, 148, emphasis added). Phillips and Prieto (2011, 121, 126) have persuasively shown that the Latin American political economy "has been progressively dominated by myriad processes of regionalization," both an incipient regionalization of civil society activity and a more robust, market-led regionalization. Arguably, these processes do not sound the death knell of state-led regionalism.

The Rise of Post-Hegemonic Regionalism makes a strong case for the emergence of a new postneoliberal regionalism that tends to replace the "new regionalism" of the 1990s. The two examples of this "new type" of regionalism are ALBA, created in 2004, and UNASUR, established in 2008. As Dabène notes, both groupings embody "a new agenda of integration that goes well beyond trade facilitation, reflecting a new conception of common interests in the region and entailing the provision of regional goods" (63). *The Rise of Post-Hegemonic Regionalism* is an attempt to pin down the nature of this new phenomenon, which is a direct consequence of the crisis of neoliberalism. According to Riggirozzi and Tussie, "Today, the regional picture presents a complexity that challenges both the notion of defensive regionalism and U.S.-led liberal governance" (11).

There is no doubt that the backlash against the Washington Consensus throughout Latin America in the first half of the 2000s and the emergence of center-left regimes changed the dynamics of regional integration in South America with the search for postneoliberal development strategies throughout the region. However,

the contributors to *The Rise of Post-Hegemonic Regionalism* tend to use the terms *postneoliberal* and *posthegemonic* interchangeably, although they are different concepts. UNASUR and ALBA are depicted as "posthegemonic" examples of regional governance, but arguably the United States still has a lot of hard power and, to a lesser extent, soft power in Latin America, including South America. As early as 2005, Nicola Phillips argued that despite the demise of the FTAA, the "structurally hegemonic power" of the United States was alive and well, now exercised through bilateral FTAs with a number of Latin American countries, even if there were "myriad challenges to the particular U.S. vision of the regional project" (Phillips 2005, 22). The concept of postneoliberalism embodies those "myriad challenges" and is associated with the "return of the state" in the 2000s after an era in which the market reigned supreme (the 1990s). Riggirozzi adds "a greater emphasis on the inclusion of previously excluded groups" and "the rediscovery of the region as a common space for pulling together resources in support of postneoliberal practices and in rejection of the idea of neoliberal-led regionalism" (24).

Riggirozzi and Tussie distinguish three main projects in the configuration of the Latin American regionalist map: "projects with a strong emphasis on commercial integration" (represented by the Pacific Alliance: Colombia, Mexico, Peru, Chile); "projects that advance trade at its core, deepening linkages with neighboring countries, yet seeking alternative and autonomous post-trade political projects" (Central American Common Market, CARICOM, Mercosur, Andean Community, UNASUR); and "a model that more radically emphasizes political and social aspects of integration, with new economic and welfare commitments, reclaiming the principle of socialism in direct opposition to neoliberal globalization" [ALBA] (11).

Arguably, only ALBA is truly postneoliberal, if one adopts Riggirozzi's definition of the term (24). Whether it is also "posthegemonic" is an open question, considering Venezuela's good economic relations with the United States. Riggirozzi makes the very important distinction "between moderate political economic projects born from resilient neoliberal models that prevailed during the late 1980s and 1990s and more radical, counterhegemonic models of integration led by new and deep transformative projects" (25). Mercosur, CARICOM, the Andean Community, and UNASUR still "advance trade at its core," and even if they seek an autonomous route to economic and social development, they remain firmly inside the globalized capitalist camp. The Pacific Alliance is fully trade-oriented, and member states do not question or challenge U.S. hegemonic pretensions in the global economy, even if they seek their own autonomous links with the Asia-Pacific countries.

Operationalizing "Resilience" and "Decline"

Resilience is a slippery concept. Future research on postneoliberal regionalism in Latin America will have to operationalize the concepts of resilience and decline. Both *The Politics of Regional Integration* and *The Rise of Post-Hegemonic Regionalism* point to the emergence of an era of "political" blocs. As Riggirozzi and Tussie put it, "a growing politicization of the regional space and regional relations is part and parcel of a redefinition of what regionalism should mean and how integration projects should respond to current challenges of global political economy" (185).

Yet are these blocs resilient? Riggirozzi and Tussie suggest that the answer is yes, and Dabène makes an effort to demonstrate that politicization does not necessarily mean decline, since history shows that despite their recurrent crises, regional blocs in Latin America have shown a remarkable ability to survive. Riggirozzi admits the existence of "challenges to the resilience of postneoliberal regionalism" (19), including "the apparently 'technical' debate about how to finance autonomous political projects" (36). Hence, "the resilience of UNASUR and ALBA as alternative regional constructions and models of governance is still to be seen" (36).

Riggirozzi and Tussie distinguish resilience from survival:

> The idea of resilience stresses resistance to, and/or capacity to recover from, political, economic and social disturbances and setbacks from domestic, regional and international crises. A resilient project will resume functions and growth trajectory after a critical hold-up. This simple understanding attributes to resilience a bit more than mere survival (185).

Adopting this definition of resilience would allow researchers to go beyond defining resilience as the mere preservation of the historical "idea" of regional integration. Dabène's book contains several insights that would help to operationalize resilience. The ability to reactivate is an indicator of resilience if the regional bloc is able to "resume functions and growth trajectory" after a crisis. From this perspective, as Gómez-Mera's book shows, Mercosur is a case of "inertial survival" (7) rather than resilience. A more demanding indicator of resilience is "crossing the threshold of supranationality," which is "often considered a milestone in the evolution toward deeper integration" (Dabène, *Politics of Regional Integration*, 107).

As Riggirozzi and Tussie point out, the scholarship on the new regionalism of the 1990s overemphasized exogenous factors ("globalization") "as the primary force driving actions and reactions in regional politics," while the endogenous perspective, "according to which regionalization is shaped from within the region by a large number of different actors," was largely neglected (187). Yet the "return of the state" in the postneoliberal era and the (re)awakening of civil society show the need to take internal factors seriously. From this perspective, ALBA and UNASUR are unthinkable without the backlash against neoliberal globalization in the early 2000s. Riggirozzi and Tussie also note that future research on postneoliberal regionalism will have to answer two questions: "what factors govern how *resilient* a given project is

likely to be under changing political and economic conditions" and "what factors, structural and agential, enable or constrain how *transformative* a given regionalism is with respect to the powers of the actors, the policies and the institutions encompassed by it" (185, emphasis added).

Most of the contributors to these four volumes agree that the neoliberal experiments of "open regionalism" of the 1990s have run their course, but not everybody agrees on the transformative nature of postneoliberal regionalism. For example, Malamud argues that neither ALBA nor UNASUR is "transformational" (*Rise of Post-Hegemonic Regionalism*, 179). Integration pessimists like Malamud argue that postneoliberal blocs are marred by institutional disabilities, lack of focus, the "implementation gap," and excessive rhetoric with few accomplishments. Yet one should not so easily dismiss the potential of UNASUR as an autonomous South American bloc, led by Brazil. The chapters by Riggirozzi and Ricardo Carciofi in the same volume provide a wealth of information on UNASUR's accomplishments as a project of autonomous regional development. As Riggirozzi notes, "trade is underplayed as a pillar of UNASUR whereas the backbone of the new treaty is formulated in relation to democracy, inclusion, social development, physical integration, defense [the South American Defense Council] and identity" (30). The Initiative for the Integration of Infrastructure of South America (IIRSA) has the potential to solve the major obstacle to achieve the successful integration of the South American countries: geographic isolation caused by lack of adequate infrastructure.

Despite their differences, the four books reviewed here make an effort to reclaim the "autonomous region" as a legitimate unit of analysis and explanation. They provide very useful insights to understand the new forms of regional governance that are emerging in Latin America. Future research on postneoliberal regionalism must combine the historical approach proposed by Rivarola Puntigliano, Briceño Ruiz, and Dabène—focusing on sequences of politicization—with the case study method employed by Gómez-Mera and a thorough examination of the dialectical interplay between endogenous (internal) and exogenous (external) variables proposed by Riggirozzi and Tussie. All four books are must-reads for specialists in Latin American regionalism and highly recommended for advanced undergraduate and graduate courses.

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