



### 저작자표시-비영리 2.0 대한민국

이용자는 아래의 조건을 따르는 경우에 한하여 자유롭게

- 이 저작물을 복제, 배포, 전송, 전시, 공연 및 방송할 수 있습니다.
- 이차적 저작물을 작성할 수 있습니다.

다음과 같은 조건을 따라야 합니다:



저작자표시. 귀하는 원저작자를 표시하여야 합니다.



비영리. 귀하는 이 저작물을 영리 목적으로 이용할 수 없습니다.

- 귀하는, 이 저작물의 재이용이나 배포의 경우, 이 저작물에 적용된 이용허락조건을 명확하게 나타내어야 합니다.
- 저작권자로부터 별도의 허가를 받으면 이러한 조건들은 적용되지 않습니다.

저작권법에 따른 이용자의 권리는 위의 내용에 의하여 영향을 받지 않습니다.

이것은 [이용허락규약\(Legal Code\)](#)을 이해하기 쉽게 요약한 것입니다.

[Disclaimer](#)

**Degree of Master of International Studies**

**(International Area Studies)**

**Analysis of Intergovernmental and Liberal  
Intergovernmental approaches in Latin American  
sub-regional integration**

August, 2018

Development Cooperation Policy Program

Graduate School of International Studies

Seoul National University

**Luis Felipe Román del Salto**

**Analysis of Intergovernmental and Liberal  
Intergovernmental approaches in Latin  
American sub-regional integration**

A thesis presented

by

**Luis Felipe Román del Salto**

A dissertation submitted in partial fulfillment  
of the requirements for the degree of  
Master of International Studies

**Graduate School of International Studies**

**Seoul National University**

**Seoul, Korea**

August 2018

## Table of Contents

ABSTRACT.....	iii
LIST OF ACRONYMS .....	iv
CHAPTER I	
INTRODUCTION .....	1
1. General background information of the project .....	1
2. Research problem.....	3
3. Purpose and scope of the study .....	3
4. Hypothesis and research question .....	4
5. Literature review .....	5
6. Significance of the study.....	8
7. Research methodology .....	9
CHAPTER II	
THEORETICAL FRAMEWORK.....	12
1. Intergovernmentalism .....	12
2. Liberal Intergovernmentalism.....	19
3. Selection of variables and assumptions.....	25
CHAPTER III	
NATIONAL PREFERENCES FORMATION, INTERSTATE BARGAINING AND INSTITUTIONAL DELEGATION IN LATIN-AMERICAN SUBREGIONAL BLOCS.....	28
1. Organization of American States - (OAS) .....	31
2. Latin American Integration Association - (ALADI).....	37
3. Common Market of the South - (MERCOSUR).....	41
4. Andean Community of Nations - (CAN).....	45
5. Union of South American Nations - (UNASUR) .....	50
6. Community of Latin American and Caribbean States - (CELAC) .....	54

7. Caribbean Community - (CARICOM).....	57
8. Central American Integration System - (SICA).....	61
9. Bolivarian Alliance for the Peoples of Our America - (ALBA) .....	67
10. Pacific Alliance - (AdP).....	71
CONCLUSIONS AND RECOMMENDATIONS .....	74
References:.....	89

## **ABSTRACT**

The regional integration process in Latin America started in the decade of 1960's and followed a different path from that of other regions in the world. There is no evidence of an integral process of integration of the regional as a whole, because ever since, 10 different blocs were created in Latin-America, leading the process of integration to a sub-regional level. The aim of this dissertation is to analyze the sub-regional integration of Latin-America from a perspective that has never explored. The two main theories that explain integration in Europe, Hoffman's Intergovernmentalism and Moravcsik's Liberal Intergovernmentalism, will be tested for the first time in a different region of the world. The main variables of these two theories (national preferences formation, interstate bargaining and institutional delegation) will allow us to characterize each of the individual blocs in the Latin-American region and at the end define what kind of process has it followed: a process of actual integration among its member states or just a mere route of cooperation and policy coordination between governments.

**Key words:** sub-regional integration, intergovernmentalism, liberal intergovernmentalism, intergovernmental cooperation, national preferences formation, interstate bargaining, institutional delegation, spillover effect.

**Student number:** 2016-25959

## **LIST OF ACRONYMS**

AdP	Pacific Alliance
ALADI	Latin American Integration Association
ALBA	Bolivarian Alliance for the Peoples of Our America
CAN	Andean Community of Nations
CARICOM	Caribbean Community
CELAC	Community of Latin American and Caribbean States
EU	European Union
MERCOSUR	Common Market of the South
OAS	Organization of American States
SICA	Central American Integration System
UNASUR	Union of South American Nations

# CHAPTER I

## INTRODUCTION

### 1. General background information of the project

Most of the authors assert that the decade of 1960s marked the starting point of the Latin American regional integration. The world conditions after the main international crisis of the first half of the XX century (First World War, Great Depression and Second World War) became a platform for Latin American countries to start an industrialization process that was supposed to develop their national economies (Filippo, 1998) and encourage them to foster regional integration. In contrast with the model of European integration, Latin American countries didn't count with an industrial platform that could lead them to promote their integration, reason that forced them to try to reach a higher level of industrialization before of seeking their regional integration (Gomes & Tavares, 1998). In that context, the import based industrialization policy became a common factor among Latin American countries that allowed them to think that the economic regional integration was a possibility (Filippo, 1998). Nevertheless, the ISI model was a failure that brought with it several complications not only in the economic development of the countries in the region, but also in their process of integration. It must be added that Latin American countries had to face also other complications during the second half of the XX century, such as the legacy of the colonialism, the political instability, poverty, lack of technology, shortage of capital foreign debt and many other

elements that slowed down their development. Notwithstanding these conditions, Latin American countries impulse their first attempts to integrate regionally during the 1960s decade, period when some proposals related to economic integration started to be outlined in the region (Gomes & Tavares, 1998). Within the next 50 years and in the beginning of the XXI century, some other attempts would emerge.

The result of that process is a fragmented Latin America due to the existence of several integration blocs that were created in the past 60 years, such as: Common Market of the South (MERCOSUR), Andean Community of Nations (CAN), Caribbean Community (CARICOM), Central American Integration System (SICA), Bolivarian Alliance for the Peoples of Our America (ALBA), Pacific Alliance (AdP), Latin American Integration Association (ALADI), Community of Latin American and Caribbean States (CELAC), Union of South American Nations (UNASUR) and Organization of American States (OAS). Each one of them was created in a different context, was formed by different member States and has developed its own integration model according to the interests of the member states. So, it is difficult to think about Latin American integration as a whole but as a sequence of intergovernmental interactions to solve common immediate and temporal needs of each country as an individual. It has been defined by a combination of various attempts of integration rather than following one path that unifies all the countries. That's why it has been decided to keep the analysis at a sub-regional level of integration, since there is no evidence that shows even the intention of creating a Latin American Union, but smaller attempts that gather together only certain countries, with particular interests and with very specific similarities, as will be proven during this dissertation.

## **2. Research problem**

Latin American regional integration is a very complex and dynamic process defined by the emergence of several and very diverse blocs that tend to overlap to each other. The policies, projects and actions implemented by each bloc may be different and even opposed to those implemented by another one, which creates chaos, confusion and disorder in the region since there's no harmonization between them. Furthermore, in several cases, a country is member of more than one bloc, which provokes many paradoxes and difficulties when it comes to policy implementation in a sub-regional basis, if the two (or more) blocs are working in the same area or if they have opposed arguments. That diversity makes the Sub-regional integration in Latin America a very complex process that will be tried to be explained by this dissertation. The mere existence of several groups shows that there hasn't been a systematic and organized process of Latin American integration as whole. Instead, Latin countries have kept their integration at a different level: a sub-regional one. Thus, the fragmentation in the region, the motivation of Latin American countries to create all of the aforementioned groups, the overlap of the different blocs and the no-evolution from a sub-regional level to a regional process of integration, is what motivates the writing of the current research project.

## **3. Purpose and scope of the study**

The purpose of the present research is to analyze the current scenario of the Latin American sub-regional integration process, regarding the role of the different 10 regional blocs that have been created through history. For doing so,

the Hoffmann's Intergovernmentalism and Moravcsik's Liberal Intergovernmentalism theories will be tested in each one of the mentioned blocs. The variables of the two theories will be the main tools used to characterize the process of sub-regional integration in the Latin American continent. It is expected to find different outcomes from the application of the theories in each of the blocs, which will allow us to identify the strengths and weaknesses of each one of them. Later on, the strengths of each bloc, traduced as good practices and policies implemented during their integration process will be tried to be replicated in the other blocs in order to diminish their weaknesses. It means that the solutions for a bloc will be found in the strengths of another, allowing the region to help itself to improve. Finally, it will be able to propose possible improvements for each bloc individually and to prevent further overlapping and lack of coordination between two or more of them.

#### **4. Hypothesis and research question**

The main questions that lead the present investigation are: the creation and existence of sub-regional blocs in Latin America should be considered as an integration process of the region or a cooperation process among member states? Which improvements can be found for Latin American sub-regional integration through the application of Intergovernmentalism and Liberal Intergovernmentalism theories?

Both Intergovernmentalism and Liberal Intergovernmentalism theories were created specifically for explaining another case of integration: the European Union. Even though they were not created in the first place with the eyes on

Latin American continent, but aiming only to Europe, we are assuming that their variables could be applied for analyzing any other case of integration as well. In spite of being focused originally only to the European case, both were meant to explain integration itself, which allow us to think that they are perfectly suitable for characterizing the Latin American sub-regional process too. Intergovernmentalism and Liberal Intergovernmentalism claim that the EU is nothing but a bloc for cooperation between the member states, instead of an actual process of integration. The present research will analyze that same matter but in a different region: Latin America. Therefore, the hypothesis of this dissertation is: there is no integration in Latin American sub-regional blocs but a process of cooperation and policy coordination among the member states (according to Intergovernmental and Liberal Intergovernmental assumptions).

## **5. Literature review**

Latin American regional integration is a wide topic that has drawn the attention of many scholars, politicians, researchers and institutions worldwide. A lot has been said about the integrational process in that region of the world. Most of the authors have focused their studies in the economic factors of the integration. For instance the Economic Commission for Latin America and the Caribbean (ECLAC) has run several investigations regarding economic issues in the Latin American region. Just to name one, Armando Di Filippo has written about the historical framework of Latin America and the economic agreements reached by the countries in the region. He focused his studies on the formation of customs unions, the signed free trade agreements and the increase

of trade at a south-south level, what created a link between Latin American countries (Filippo, 1998).

Other authors like Maria da Conceicao Tavares and Gerson Gomes focused their research on the global context that allowed Latin American Countries to integrate. They considered that the integration was centered in economic fundamentals that could lead the region to develop if the countries focused on the intraregional trade and the expansion of commerce between the geographically close countries. That's what they called the experiment of regional integration (Gomes & Tavares, 1998).

José Briceño Ruiz argued that there exists fragmentation in the economic integration in the Latin American region and that it could be divided into three axes: open integration axis, revisionist axis and anti-systemic axis (Ruiz, 2013). He placed some of the regional blocs into these axes in order to give some order to the integration process through the analysis of the different economic models adopted by the blocs in each axis. He also mentioned the three ideal models of economic integration established by Max Weber: strategic regionalism, productive regionalism and social regionalism and tried to connect them to the Latin American case (Ruiz, 2013).

Other authors stated that the Latin American Integration has faced different phases during its history. According to them, the integration model of 1960 and the next one created in the decade of 1990 are now obsolete, so nowadays it should respond to the new concepts and realities.

Authors like José Antonio Sanahuja (2010), Pedro Da Motta Veiga and Sandra Ríos (2007), have coined the term "post-liberal regionalism" to define the changes in the content of the Latin American integration agenda, that shifted from the liberalization of trade and investment to the prioritization of the political, social and productive objectives. It is not clear whether the authors pointed to post-liberal regionalism as a stage of Latin American regionalism or a model of integration. Pia Rigiroszi, on the other hand, prefers to use the expression "post-hegemonic regionalism", in which the proposal is to break the hegemonic discourse of the 1990s that related regionalism with the processes of globalization inspired by the neoliberal ideas. In that context, regionalism was perceived as a defensive response to these global processes. For Rigiroszi, the regionalism that developed in Latin America in the decade of 2000 tried to go beyond of being a defensive mechanism and become an alternative to the American neoliberalism in order to face the hegemony of United States (Rigiroszi, 2010).

These are only a few of the several studies related to the Latin American integration. The truth is that it has been said a lot regarding this issue, but most of the authors have focused their object of study in the economic aspects of the integration. Therefore, it wasn't possible to find even one document related to the specific topic of this dissertation. The integration itself has been observed from several angles, but never from the perspective of the Intergovernmentalism and Liberal Integovernmentalism, may be because the optic of the theories of Hoffmann and Moravcsik focused in the integration in Europe rather than in Latin America. That's the reason why terms like Intergovernmentalism and Liberal Integovernmentalism have appeared briefly when the Latin American integration is compared with the European model. It

means that characterizing the Latin American integration process with the variables of these two theories is a new approach that hasn't been studied before.

## **6. Significance of the study**

Latin American regional integration is a topic that has been discussed by many scholars, academics and politicians since the times of Simon Bolivar until current days. But even though a lot has been said about it, until today it hasn't been possible to reach a joint process of integration that gathers all the countries together. That's the reason why several blocs have been created in the region, maintaining integration at a sub-regional level and not allowing it to go any further. It is of great importance to conduct a research that might be able to give a meaning to the current moment of the process of sub-regional integration in Latin America and also to promote the improvement of the blocs that were already created rather than keep expanding the number of groups, as has occurred in the past 60 years of history. Without any attempt to re arrange the sub-regional process, Latin America would remain as a disorganized and fragmented continent. The academy has proposed several models and theories to explain the process, but none of them could find an alternative. Perhaps is the time for exploring new perspectives. The theories of Hoffmann and Moravcsik give us the opportunity to test sub-regional integration from a totally new perspective. Their variables have never been tested in Latin America, which allow us to think that may be a new outcome could come out from a fresh and new point of view never tested before in the region. Furthermore, they will allow us to propose new policies to enhance the process of integration in the

region, as they are theories created specifically for that matter. In this case, Intergovernmentalism and Liberal Intergovernmentalism are instruments for reviewing a process that already took place and had only one outcome: a disorganized sub-regional integration. This time, a new set of lenses that haven't been applied in the past will be used to find strengths and weaknesses of the process of each bloc. For the first time, we will look for solutions and recommendations from the good practices and experiences of the other blocs of the same region. The region might be able to help itself.

## **7. Research methodology**

In order to accomplish the goals of this investigation, the steps that will be followed are:

- 1: Definition of the theoretical framework (Hoffmann's Intergovernmentalism theory and Moravcsik's Liberal Intergovernmentalism). The theories will be analyzed in order to extract all the variables that will be used for the analysis of the Latin American sub-regional integration.
- 2: The research will be focused on the 10 Latin American regional integration blocs. So the basic information of each one of them will be reviewed (member states, date of creation, context of their creation, objectives, main areas in which they work, policies, major projects, organic structure, etc).
- 3: The identified variables of the theoretical approach will be connected with each one of the regional integration blocs. Thus, sub-regional

integration will be tested according to the theories that have been applied. It will allow us to narrow the investigation down to the expected level of analysis (elected variables).

- 4: Presentation of the findings (results) and conclusions, and elaboration of recommendations.

The methodological approaches that will be used are:

- Orientation of the research: it will be oriented to seek solutions (recommendations) to a real problem rather than making theoretical contributions (decision-oriented research).
- Qualitative approach: the investigation will be based on an individual analysis of each on the subjects of the investigation (the 10 identified regional blocs) and then continue with the interpretation of the gathered information related to the theory. Inferences related to cause-effect will be done in order to explain the reasons why so many blocs were created and what moved the Latin American Countries to integrate.
- Hypothetico-deductive frame: observations of the general phenomenon of integration in Latin America in order to identify the problem of the sub-regional integration and connect it to the theoretical approach. Review of the 10 particular cases regarding the previous observation of the general context (from the general to the particular). A deductive reasoning process will be used to prove the hypothesis and try to validate it through the empiric information of the integration in the

region. It will have the intention to solve a practical problem (practical application of the theory to an actual empirical case).

- Research ex post facto: no control of the independent variables because the study is based on the analysis of events that have already happened (sub-regional integration through the creation of regional blocs). With this method, groups that already exist are compared on certain dependent variables, established by the theory. The "after the fact" research will be in this case designed as a quasi-experimental investigation, because the subjects (regional blocs) are not randomly assigned but grouped based on a particular characteristic, which is the sub-regional integration process itself. It is also quasi-experimental because there are not studies that have focused in the same object than in this case, as it was showed in the literary review.

## **CHAPTER II**

### **THEORETICAL FRAMEWORK**

The objective of this chapter is to provide an overview of the intergovernmentalist theory and the classical and liberal variants of it. In the first section, the basic premises and assumptions of intergovernmentalism will be reviewed, according to the proposal of Stanley Hoffmann. The second section will introduce one of the variants of intergovernmentalism, specifically that one that became the main focal point for intergovernmentalist research in the mid-1990s: liberal intergovernmentalism, as developed by Andrew Moravcsik. While it is true that these two theories were created to explain the process of integration in Europe, its variables and assumptions could be used to analyze other processes of integration besides the European one. That's the reason why a third section of this chapter will summarize the identified variables that will be used later on to analyze the case of Latin American process of sub-regional integration. Both intergovernmentalism and liberal intergovernmentalism will set the ground to analyze the 10 blocs of integration in the above mentioned region of the world.

#### **1. Intergovernmentalism**

Intergovernmentalism, as a theory for studying European integration, emerged in the mid-1960s from a critique to the neo-functionalist theory. It was also created as a reaction to federalist assumptions that the European Community would eventually transform itself into a state, which can be able to

gathers all the requirements to be recognized as such. From the mid-1960s, intergovernmentalism started to provide a useful conceptual account of the European integration process (Cini, 2013). For many years scholars of European integration focused their research in the two competing theories to approach this topic: neo-functionalism and intergovernmentalism. By the end of 1960s, intergovernmentalism became the main paradigm used to explain European integration, replacing neo-functionalism because it wasn't accurate enough for reflecting the actual practices taken in the process of European integration. Until nowadays, intergovernmentalism appears as the mainstream academic discourse when analyzing European integration. The paradigm of integration in the old continent holds intergovernmentalism and its variants as the dominant elements for explaining that process (Cini, 2013). This chapter will focus on the arguments of intergovernmentalism propose by the work of Stanley Hoffman from 1960s decade, but it will also consider its critiques, made mainly by neo-functional scholars (Cini, 2013). Later on, we will discuss about the evolution of the theory into the proposal of Andrew Moravcsik from 1990s onwards and the impact of his new theory, called Liberal Intergovernmentalism (Cini, 2013).

Hoffman's intergovernmentalism provides a conceptual explanation of the process of integration taken place in Europe (Cini, 2013). It was designed by Hoffman basing his insight on the classical theories of International Relations, especially realism and neo-realism, due to the assumption of state centrism and the fact that inter-state bargaining, at a general level, marks the relations between countries (Hoffman, 1964). Lest remember that according to realism, international politics are seen as a set of interactions of self-interested states in an anarchic environment in which no global authority is capable of securing

order (Morgenthau, 1985). Under that condition, states are understood as rational unitary actors that define their national interests due to an evaluation of their role and position in the international system. In the case of realism, their main interest is survival, so their economic, political, developmental and many others interest are of secondary importance. Since intergovernmentalism is based in realism, that assumption still works, but the truth is that despite of the differentiation between all those concerns, Hoffman gives a bigger importance to those other issues that were not of primary importance after the WWII and during the Cold War, when realism was predominant (Hoffman, 1964). It means that Hoffman includes other areas rather than only security, despite of the premises introduced by realism. According to neo-realism, regimes are the arena for the negotiation of zero sum negotiations in which the existence of a winner and a loser is indispensable. Those negotiations would be shaped by the power held by each state within the regime. Fortunately, unlike realism, neo-realism leaves some room for international cooperation, necessarily when it is connected to the survival of the country. Hoffman takes that assumption and elevates it to a new level, in which cooperation could have its own place when it comes to regional integration (Hoffman, 1964). The risk of increasing cooperation until that level relies on the fact that the state's particular interests may collide.

If their interests fail to converge, any intention of building a community beyond the borders of individual states will face tensions rather than agreements, which could intensify the differences instead of highlighting the common interests. That's the reason why intergovernmentalism points out that the EU should be considered a process of international cooperation instead of international integration (Hoffman, 1964). In that case, cooperation would mean

a weighing up of pros and cons to each individual state in order to consider their membership in the bloc. Therefore, if cooperation between states fails, the whole process shouldn't be considered not only a space of integration, but neither a space of cooperation. If the EU doesn't improve the efficiency of bargaining between member states, it couldn't even be called a cooperation bloc (Rosamond, 2000). In any case, for intergovernmentalism, states only engage in this cost-benefit analysis in order to accomplish their national goals, so it definitely cannot be considered an integration process. Intergovernmentalists are reluctant to admit that cooperation in the EU could lead to a process of European integration, because for them cooperation is nothing but a conservative and pragmatic tool to resolve common problems rather than a tool used to enforce unity or promote the creation a sort of political community or federal state in the EU (Cini, 2013). For them, cooperation is founded in the rational conduct of governments and it is not necessarily related to integration issues. Hence, an institutionalized form of interstate cooperation in the EU facilitated the relation between countries but didn't lead to their integration, since all of them act as individuals when pursuing particular interests and not as a whole (Rosamond, 2000).

Other of the important hypothesis of intergovernmentalism is the concept of sovereignty of nation states (Hoffman, 1964). It is a very delicate and emotive word when used in the context of the European Union. Usually, this concept is related to power, authority, independence, autonomy, exercise of will, self-determination, decision making without external restraints and many other words (Cini, 2013). Intergovernmentalists claim that the most important actors in the EU, by far, are the member states, who engage into interstate relations without ceding that sovereignty (Hoffman, 1964). It implies that states still have

the control over the process of negotiation, since they don't yield that sovereignty to a supranational institution. At most, they would share their sovereignty but not transferring it from national to supranational level (Hoffman, 1964). Instead, intergovernmental cooperation can involve a delegation of sovereignty. They accept that states might delegate some functions from their executive and legislative branches to the European institutions, such as the European Commission and the European Court of Justice (Cini, 2013). The argument is that national governments find of their best interest to hand over certain functions in order to make cooperation easier and to show credibility towards the commitments that they have taken, but at the end of the day, the states hold the power to take back those functions and regain control. It shows clearly a possible delegation of sovereignty but no transfer of it. It shows the actual role given by states to the European institutions. Instead of assuming that European Institutions are capable to have an autonomous role in the process of integration, intergovernmentalists claim that the so called supranational actors are little more than servants of the member states (Cini, 2013). It has been said that institutions only take non-controversial issues of the EU, since the actual controversial areas of policy remain under the power of the states. Then, the two European institutions that matter the most are the EU Council (of national ministers) and the European Council (of head of states and government), because the participants are representatives of each state, while the role of other European institutions is considered peripheral (Cini, 2013).

Now that we know that Stanley Hoffman laid the foundations of the intergovernmentalist approach to the European integration by rejecting the neo-functional approach, we must understand why he did it. Hoffmann claimed

that neo-functionalists had forgotten the context within which European integration took place (Hoffman, 1964). More specifically, intergovernmentalism rejected the neo-functionalist claim that European integration was driven by a sort of snowball effect known as spillover. There was no evidence of the European process, from this perspective, that supports that the first cooperation between European states could evolve to a federal state in Europe (Cini, 2013). There was no political will towards this hypothetical goal. Neo-functionalism wasn't only ignoring the context within which European integration was occurring but it also missed the importance of cultural differences that were continuously influencing how states perceived their interests. Therefore, the neo-functional logic of integration was contrasted with the intergovernmental logic of diversity (dialectic between unity and fragmentation). It was that diversity which placed boundaries in integration, differentiating the national interests and the position of a state in the regional system from the very beginning (Cini, 2013). It might seem that after 1945 the national dimension became less important than in earlier times, but it didn't take long for the states to reassert themselves. In the early 1960s, European states became the core of the regional integration, again. National states had proven themselves to be extremely resilient actors in international politics. According to Hoffmann, the nation state of Europe after the WWII became obstinate not obsolete (Hoffman, 1964). The main two reasons for this argument were, first, that they regained sovereignty over their own territory and second, that they possessed political legitimacy due to the democratic elections in their territory. Hoffman distinguished between high and low politics areas, arguing that, while functional integration might be possible in less controversial areas (more technocratic areas such as the economic sphere) states would resist any incursion into areas of high politics (the political sphere) (Hoffman, 1964).

It means that even though the first attempt to integrate in Europe (the Coal and Steel Community) started with a security perspective, the means to accomplish that goal were always economic, and after that, the EU never regained a political/security perspective again. It shows that the spillover effect didn't ever occur from low politics areas to high politics ones. However, Hoffmann himself has softened his position on this issue, accepting that there are limits to the usefulness about the traditional distinction between low and high politics (Hoffman, 1964). It happened in Europe in 1970s decade, when the European Political Cooperation or EPC (forerunner of the European foreign policy) took place. It was undoubtedly an area of high politics that disapproved intergovernmentalist theory. It happened again when the Common Foreign and Security Policy was established (Cini, 2013). It forced Hoffmann to change his drastic perspective towards the EU, but the theory remained intact. Despite of softening his position, the expected spillover effect didn't ever occur.

Although Europe succeeded in terms of mutual cooperation (which might be the most significant characteristic of the EU, since it was not focused in zero sum outcomes), the European history has done nothing but highlight the differences between member states and also point out their common interests (this isn't a way for showing that they have promoted cooperation; it means that they have had individual interests in the first place that needed to find a common ground for negotiating).

Although classic intergovernmentalism was based upon realist assumptions, the concept of state differs drastically (Hoffman, 1964). For intergovernmentalists the states are more than just black boxes containing some no substantial content. Instead, they consider them as communities with identity

and belongings in which ideas, ideals, political experiences and domestic forces play a key role. Hoffmann criticized other theorists' views on European integration and the way how states established their national interests. According to him, the classical perspectives were simplistic and unrealistic, taken by states only considering power and place alone, and without taking into account their historical, cultural and political background (Hoffman, 1964).

Intergovernmentalism isn't only associated with the EU politics but also refers to a type of decision-making process that occurs within all international organizations. Intergovernmentalists apply the theory for the understanding of the EU, but they agree that it could also be used as a framework for analyzing other organizations (Cini, 2013). It has been defined as a theory of European integration (or international cooperation), but it may also serve as one of the several "models" for describing the European process. As a theory it would describe the current state of the EU (its institutions and policies) and as a "model" it would analyze the central role of national governments and the diminished role of supranational institutions (Cini, 2013). The truth is that, for the purpose of this dissertation, it is not important the conceptual definition of intergovernmentalism (it doesn't really matter if it is used as a theory or as a model) because in any case its assumptions are useful for explaining the Latin American case.

## **2. Liberal Intergovernmentalism**

Liberal Intergovernmentalism became, in early 1990's, one of the most important theories of European integration (Cini, 2013). Its assumptions and

methods were used as the tools for judge not only European integration but also other theories of international integration. Moravcsik offered a new grand theory based on the insights of Hoffmann's intergovernmentalism, buy with more rigorousness towards realism and neo liberalism elements and with a new interface between domestic and international politics. From this perspective, the European Union is a successful intergovernmental regime designed to manage economic interdependence through policy coordination among states (Moravcsik, 1998). Liberal Intergovernmentalism is a subsequent version of the intergovernmental explanation of the integration process. Like Hoffmann, Moravcsik started from a critique of neo-functionalism. He agreed with Hoffmann when arguing that neo-functionalism failed to explain developments in the European Community itself, but he put more weight on a theoretical critique (Moravcsik, 1998).

One of its main assumptions is that the states behave rationally, with a clear emphasis in the importance of both national preferences and the power of states. According to Moravcsik, while national politicians advance in the work of national preferences formation that reflect their domestic policy, all decisions made by the European Union are the result of bargaining among states (Moravcsik, 2009). Usually, agreements are reached with clear limits placed on the transfer of sovereignty to supranational agents. In that sense, the broad lines of European integration since 1960s reflect three factors: patterns of commercial advantage, the relative bargaining power of important governments and the incentives to enhance the credibility on inter-state commitment (Cini, 2013). When economic concerns met, integration takes place. This commercial view of integration drove Moravcsik to separate two dimensions of liberal intergovernmentalism: supply and demand. He means that demand for

cooperation (derived from national polity) and supply of integration (derived from interstate negotiations) are both important when understanding European integration. To explain the link between supply and demand, liberal intergovernmentalism proposed three steps, each and one of them is explained by different factors and draw complementary theories of economic interest, relative power and credible commitments (Moravcsik, 1998):

- First, deriving from liberal theories of national preference formation, liberal intergovernmentalism shows how state goals can be shaped by domestic pressures and interactions and which are sometimes conditioned by constraints and opportunities that derive from economic interdependence. It means that societal factors will lead to an international demand of cooperation. National political institutions are subject to several pressures from nationally based interests, which lead to a process of preference formation. Each group has to compete to each other in order to raise their preferences to the attention of government elites. Finally, those which are chosen feed into interstate negotiation. In other words, national policy preferences are constrained by the interests of dominant economic groups within the society. Therefore, national governments represent those national interests in international forums, prioritizing those interests of the stronger pressure groups. It means that national interests derive from the domestic politics of the member states and not from the state's perception of its relative position in the states system (Moravcsik, 1998).

- Second, the supply side of liberal intergovernmentalism refers to the general theories of bargaining and negotiation to argue that relative power among states is shaped by all the asymmetries between states, which in the long term dictate the relative value of the agreements to every government. It emphasizes the centrality of strategic bargaining among states and the importance of governmental elites to shape interstate relations. It would lead us to think that states should be considered as unitary actors and supranational institutions are deemed to have a secondary role with a low impact on the outcome of the negotiations. That process of negotiation would have two stages: governments must resolve the policy problems that confront them (by making decisions) and then try to reach agreements by institutional mechanisms that would allow them to implement those decisions. A window of opportunities appears when states do such thing (when states try to find the common ground around their particular interests). At the end, it would allow all the actors to distribute the gains and losses of the negotiations. There is a wide range of possible outcomes of the integration process, both positive and negative. This approach tries to lead states to find positive-sum outcomes. The problem relies on the differences between states and their hypothetical intention of gaining the upper hand. The power of individual states is critical in determining whose interests will prevail at the end. It means, that usually, according to liberal intergovernmentalism, that the preferences of the largest and most powerful states will prevail (Germany, France and UK in the case of Europe). Integration is supposed to benefit states, which would face many constraints in the regional institutions (the Council in the case of

the EU) but when their relative power goes beyond the institutions, those constraints end up meaning nothing, showing a clear weakness on the regional institutions and a higher power on individual states that can enhance their domestic autonomy (Moravcsik, 1998).

- Third, Moravcsik talks about institutional delegation. The argument is that European institutions are set up to improve the efficiency of inter-state bargaining. Governments delegate and pool sovereignty in these institutions to secure the substantive bargains that they have made by ensuring that all parties commit to cooperation (Moravcsik, 1998). To support this idea, he claims that European institutions create linkages and commitments in issues in which non-compliance would be a temptation. It means that institutions are needed only to create credible commitments. Institutions are means to facilitate positive-sum bargaining among states, without forgetting or undermining in any way the long term self-interest of the member states (Moravcsik, 1998).

Although liberal intergovernmentalism has been criticized, it remains as the best option for explaining integration processes, including an empirical perspective. The main critic directed to this theory is that its conception of state is too narrow. Critics argue that in order to fully understand how governmental preferences are determined, a deeper analysis of domestic policies is needed. According to Moravcsik, the primary determinant of government preferences is the balance between their economic interests, whereas critics think that other elements (like the institutional structure within a country) are also required. According to them, liberal intergovernmentalist view is too simplistic, because

it focuses only in the economic matters and not in the geopolitical concerns (Rosamond, 2000).

Another critique is that the theory underestimates the limits faced by policy makers (the main example in the EU case is the single market program). It is argued that supranational institutions are highly diminished by liberal intergovernmentalism, since it focuses only in the interstate negotiation. For them, the Commission and the European Court of Justice are relatively unimportant in terms of policy outcomes (Moravcsik, 2009). Moreover, the Commission is considered a little more than a facilitator to the states in respect to decision making process, because of its lack of autonomy when exercising a significant decision making role. Therefore, the potential influence of European institutions in the process of integration is almost irrelevant. This is not just about which actors and institutions appear to play the key role in the decision making process, but also which actors appears in the “behind scenes” decisions and the weight placed to those informal decisions. It means that it could be shown that European institutions are responsible to take decisions (in the surface) but they are not actually in control since there are other actors who actually shape the policies (in the bottom) as the states and the pressure groups within the states. Then, the decisions might have been taken before the summits and conferences (“behind scenes”) and the states would use those spaces only for showing off the formality of the process. Once again, institutions would be only a formal platform but not an arena for decision making processes (Cini, 2013).

Moravcsik lists 5 cases that support all the assumptions of his theory (Moravcsik, 1998):

- The negotiation of the Treaty of Rome;
- The consolidation of the common market and the Common Agricultural Policy;
- Monetary Cooperation and the setting up of the European Monetary System;
- The negotiation of the Single European Act;
- The negotiation of the Treaty on the European Union.

### **3. Selection of variables and assumptions**

This chapter has reviewed the theory of European integration known as intergovernmentalism and its premises (primarily state centrism). It sets the ground for the foundations for several other theories on European integration, especially to explain the nature of the EU decision-making process, like the case of the liberal intergovernmentalism, theory that became popular in the mid-1990s. These two approaches continue to provide inspiration for many scholars of European integration and of integration itself, and despite of been severely criticized, they remained resilient and continue to be the main frameworks for explaining the European integration process. Intergovernmentalism has been flexible through the years to adapt to the new realities and remain valid until current days and it also counts with the contribution made by Moravcsik. This way, the two theories form a wide and complete framework to understand the process of integration of Europe from

1960s onwards. Both still have an important impact in current thinking when it comes to giving an explanation to the phenomenon of Europeanization.

Now, both theories could be applied in other regions of the world in order to give an explanation to other integration processes. The main variables identified on this chapter are going to be used to accomplish the mentioned attempt, are:

- Intergovernmentalism has been influenced by realist and neo-realist assumptions that privilege the role of the state (state centrism) and national interests in explaining European integration. According to these two approaches, there isn't such thing as an integration process but as a cooperation process;
- Intergovernmentalists believe that sovereignty rests with the EU member states and that the supranational institutions should be considered agents of the member states. It may be in states interests to share/pool sovereignty and to delegate it to European-level institutions (no cession of sovereignty but delegation of functions);
- Liberal Intergovernmentalism provides an explanation of European integration based on national preferences formation, interstate bargaining and institutional delegation. The major choices in favor of Europe were a reflection of the preferences of the governments, not the preferences of supranational organizations. The delegation of states to supranational institutions only means the wish of the governments to ensure that the commitments of all the involved parties would be carried out;

- National preferences reflected the balance between economic interests (low politics) and not the political or security issues of the states (high politics). There's no spillover effect from low politics areas to high politics areas (against the neo functional theory)
- Liberal intergovernmentalism supplements a rich account of bargaining inside the European and EU Councils, with a concern for how national interests or preferences are formed from the pressure placed on governments by domestic economic interests. The outcomes of negotiations reflected the relative bargaining power of each individual state.

# **CHAPTER III**

## **NATIONAL PREFERENCES FORMATION, INTERSTATE BARGAINING AND INSTITUTIONAL DELEGATION IN LATIN-AMERICAN SUBREGIONAL BLOCS**

In the next section we will review the relevant information of the 10 sub-regional blocs that currently exist in Latin America. In the pages that follow, a general overview of each of the blocs will be provided through a brief explanation of its history, purpose, objectives, member states and structure, and then we will connect the variables identified in chapter 2 (from intergovernmentalism and liberal intergovernmentalism) with the particularities of each of the sub-regional blocs. It is important to notice that the three variables that will be used (national preferences formation, interstate bargaining and institutional delegation) are interconnected among them and depend on each other to be properly applied for the analysis of each bloc. For the purpose of this dissertation, the three identified variables need to be analyzed as a whole and not divided, reason that leads us to organize the analytical section by sub-regional blocs and connect their specific information and particularities to the three identified variables of the theories. For that reason, the characteristics of every individual bloc will be provided first and then the variables will be analyzed in each of them to explain their intergovernmental nature.

According to the relevant information of intergovernmentalism and liberal intergovernmentalism on the previous chapter, three variables have been

identified and will be tested on each of the sub-regional blocs and their own specificities:

- **National preferences formation:** it refers to the national interests of the individual states that form a bloc but also to the formation of interests and preferences of the bloc itself. It is assumed in intergovernmentalism and liberal interogovernmentalism that the interests of the individual states and the interests of the blocs are basically the same thing, since the states are the core actors (state centrism) of the process of integration. It means that the major choices of every bloc are nothing but a reflection of the preferences of the governments. It is important to acknowledge that the starting point would be the preference formation of every individual state (¿how the national interests are formed within each state? For example, how national interests or preferences are formed from the pressure done by national interests groups to the government by their economic needs) and then its discussion in the international arena (¿how they influence the decisions of the bloc?), but due to the limitation of length of this dissertation, the process of preference formation within every individual state won't be part the current research project. We will focus on the preference formation of each bloc and the influence of the preferences of the more relative powerful states within each one of them. Finally, we will see if there exists a spillover effect from low politics interests (economic) to high politics areas (political or security issues). According to intergovernmentalism and liberal interogovernmentalism (who are

against the neo functional theory) there shouldn't be a spillover effect from low politics areas to high politics areas.

- **Interstate bargaining:** the role of the state is central in intergovernmentalism and liberal intergovernmentalism. It is assumed that states take the major decisions of the blocs. There is supposed to be a rich account of bargaining inside the institutions, in which the individual states rule. The examples of the EU Council and European Council are crucial in this section: both of them are European institutions, but they are not autonomous since they are formed by leaders of the countries, which mean that at the end, the institutions won't make any decisions by themselves. They would be only spaces for the leaders to negotiate in behalf of their own interests. Finally, the outcomes of the negotiations within each regional bloc will reflect the relative bargaining power of each individual state, not the power of decision making of each institution as independent.
- **Institutional delegation:** intergovernmentalism and liberal intergovernmentalism state that sovereignty rests with the member states and not in the regional institutions. States may share or pool sovereignty to institutions but won't ever yield it entirely to them. Similarly to the previous section, this variable will allow us to prove if the supranational institutions are independent or not, according to the level of sovereignty yielded by the countries to the institutions. According to Hoffmann and Moravcsik, supranational institutions should be considered agents of the member states, since there's no cession of sovereignty but delegation of

functions to them. The delegation of functions of states to supranational institutions should be understood as a means used by the governments to ensure that the commitments of all the involved parties would be carried out, but not as a cession of sovereignty in the decision making process. At the end, what prevail are the preferences of the governments not the preferences of supranational organizations.

### **1. Organization of American States - (OAS)**

The Organization of American States is the world's oldest regional organization. It was created during the First International Conference of American States, held in Washington, D.C., from October 1889 to April 1890. During that meeting, the International Union of American Republics was established, and with it, the so called inter-American system. That was the first attempt of American countries to integrate. Fifty years later, the OAS was created, by the Charter of the OAS signed in Bogota, Colombia, in 1948 (entered into force in December 1951). It was amended in several occasions in the next years: Protocol of Buenos Aires (1967) Protocol of Cartagena de Indias (1985), Protocol of Managua (1993) and Protocol of Washington (1992). (OAS, 2017)

The OAS brings together all 35 independent states of the Americas and constitutes the main political, juridical, and social governmental forum in the hemisphere. The 21 Member States that signed the Charter in Bogota are: Argentina, Bolivia, Brazil, Chile, Colombia, Costa Rica, Cuba, Dominican Republic, Ecuador, El Salvador, Guatemala, Haiti, Honduras, Mexico,

Nicaragua, Panama, Paraguay, Peru, United States of America, Uruguay and Venezuela. Then, the following 14 member states joined: Barbados, Trinidad and Tobago (1967), Jamaica (1969), Grenada (1975), Suriname (1977), Dominica, Saint Lucia (1979), Antigua and Barbuda, Saint Vincent and the Grenadines (1981), The Bahamas (1982), St. Kitts & Nevis (1984), Canada (1990), Belize and Guyana (1991). In addition, 69 countries participate as permanent observer as well as the European Union (EU). (OAS, 2017)

The main goal of the OAS, stated in the Article 1 of the Charter, is to achieve "an order of peace and justice, to promote their solidarity, to strengthen their collaboration, and to defend their sovereignty, their territorial integrity, and their independence" (OAS, 2017), based on the pillars of democracy, human rights, security and development.

The article 2 of the Charter states the purposes and objectives of the organization, which are the following:

- To strengthen the peace and security of the continent;
- To promote and consolidate representative democracy, with due respect for the principle of non-intervention;
- To prevent possible causes of difficulties and to ensure the pacific settlement of disputes that may arise among the Member States;
- To provide for common action on the part of those States in the event of aggression;

- To seek the solution of political, juridical, and economic problems that may arise among them;
- To promote, by cooperative action, their economic, social, and cultural development;
- To eradicate extreme poverty, which constitutes an obstacle to the full democratic development of the peoples of the hemisphere; and
- To achieve an effective limitation of conventional weapons that will make it possible to devote the largest amount of resources to the economic and social development of the Member States (OAS, 2017).

The main pillars, goals and interests of the OAS were established by agreement of the member states since the very creation of the organization. The four pillars (democracy, human rights, security and development) and the goals of the organization were chosen by consensus of the states that signed the Charter in Bogota. It shows that the preference formation of the organization started from the desire of the individual states to find a common ground to integrate, which in this case was the need of pursuing a long lasting peace and the other goals of the first article of the charter. It has been shown that it didn't start with only one goal, but with several, that altogether allowed their countries to coexist in peace and cooperate to each other. Does it mean that it has followed a path of integration? The charter itself is a document that settles the path to cooperate and maintain order, but it never shows the formation of a bigger country or a federation with the individual member states. It is proven that the states remain individuals and accept individually to pursue the achievement of common goals in the region. Therefore, it should be considered a bloc of cooperation, not a bloc of integration. It has been a successful bloc of

cooperation because it has addressed many fields (as shown in the article 2 of the charter) from peace and security to pacific dispute settlement means, cooperation, economic development, culture, democracy, self-determination of states, and so forth.

However, the fact of having democracy as a main pillar of the OAS and the fact of having its headquarters in Washington shows the clear influence of the United States in the OAS. That influence has been repeated in several occasions: during the sanctions imposed to Dominican Republic during the government of Trujillo (and the economic blockade by the USA to Dominican Republic), the suspension of Honduras after the coup of 2009 that sent former president Zelaya to the exile (the new government wasn't elected democratically, which violated the Inter-American Democratic Charter, and finally the most obvious case of American's power, the expulsion of Cuba in 1962 because of being a non-democratic country according to the USA's parameters. These are only some cases that show the relative power of the USA within the OAS. It isn't a proper process of integration if a state has more power over the others and is able to influence its peers. It is true that one state has one vote, but the strength of USA in the OAS places it as the major power at a sub-regional level with no contender able to challenge it.

The OAS is formed by the following institutions and organs:

- The General Assembly;
- The Meeting of Consultation of Ministers of Foreign Affairs

- The Councils (the Permanent Council and the Inter-American Council for Integral Development);
- The Inter-American Judicial Committee;
- The Inter-American Commission on Human Rights;
- The General Secretariat;
- The specialized conferences;
- The specialized organizations;
- Other entities established by the General Assembly (OAS, 2017).

The General Assembly is the supreme organ of the OAS. All member states are represented at the General Assembly and have the right to one vote. All the mechanisms, policies, actions, and mandates of the OAS are determined by the General Assembly. It is formed by the delegations of each state, which shows that it doesn't have any autonomy and it represents directly the wishes of the governments. The Meeting of Consultation of Ministers of Foreign Affairs is formed, as its name suggests, by the Ministers of Foreign Affairs, which once again shows a representation of the governments in its work. The two councils (the Permanent Council and the Inter-American Council for Integral Development) are delegated by the General Assembly, which aligns to the statement of intergovernmentalism and liberal intergovernmentalism that says that the institutions are only agents of the member states. The Inter-American Judicial Committee serves as an advisory body for the General Assembly in terms of international law (once again, support to the institutions formed by member states), the Inter-American Commission on Human Rights does the same thing but in terms of human rights. The General Secretariat is the central and permanent organ of the Organization of American States and carries out the

duties entrusted to it by the General Assembly. It has certain level of autonomy, but only in administrative matters; at the end, it doesn't have any decision-making power above the General Assembly.

The OAS has grown steadily since its creation, which means that a spillover effect did take place in the region with the pass of the years. Over the years, a new set of institutions has been gradually established. It cannot be said that it started from low politics areas to high politics issues, because these institutions were created to facilitate cooperation in several areas, but definitely it shows a snowball effect that intended to improve the regional agenda and widen the amount of subjects in it, with the creation of institutions in charge of these specific areas, for example in the area of health (Pan American Health Organization which later became the regional office of the future World Health Organization), justice (Inter-American Juridical Committee), childhood (Inter-American Children's Institute), gender equality (Inter-American Commission of Women) geography (Pan American Institute of Geography and History), indigeneity (Inter-American Indian Institute), agriculture (Inter-American Institute for Cooperation on Agriculture), defense (Inter-American Defense Board), human rights (Inter-American Commission on Human Rights and the Inter-American Court of Human Rights), drugs and psychotropic substances (Inter-American Drug Abuse Control Commission), telecommunications (Inter-American Telecommunication Commission), etc. A whole network of regional institutions was created in order to strengthen the cooperation between the American States. Like the creation of the mentioned institutions, new protocols, charters and treaties have been adopted over the years in order to strengthen de OAS regional position and regional cooperation (the American Treaty on Pacific Settlement, the American Declaration on the Rights and Duties of Man,

the Economic Agreement of Bogotá, the Inter-American Treaty of Reciprocal Assistance, etc. The institutions that have been mentioned were created for dealing with specific subjects and they work as support institutions for the main institutions of the OAS, which are represented by the member states.

The labor done by the reviewed institutions respond to the needs and decisions of the member states. Most of them are not independent bodies, since they need to answer to a hierarchically superior body which is the General Assembly. There is a partial cession of sovereignty of the states to the institutions, since they can perform administrative duties or work in their respective field of action, but always under the decisions and the acquiescence of the of the governments. The states prove to delegate some functions to the regional institutions, which are at the end of the day nothing but agents of the member states, as Hoffmann and Moravcsik suggest in their theories.

## **2. Latin American Integration Association - (ALADI)**

The Latin American Integration Association was created on August the 12ve, 1980 by the signature of the Montevideo Treaty (TM80), which is the legal framework governing over the organization. It was created to replace the Latin American Free Trade Association (LAFTA / ALALC) that lasted from 1960 until 1980. The 11 original members of ALADI, who signed the Montevideo Treaty (TM80), are: Argentina, Bolivia, Brazil, Chile, Colombia, Ecuador, Mexico, Paraguay, Peru, Uruguay and Venezuela. From that list, the countries with the lowest relative economic development in the region (Bolivia, Ecuador and Paraguay) enjoy a preferential system. Later on, Cuba (1998) and

Panama (2009) became members by resolution of the Council of Ministers. Nicaragua was accepted in 2011 but hasn't presented all the requirements to become a full member of the association. On the other hand, El Salvador, Honduras, Spain, Portugal, Guatemala, Dominican Republic, Costa Rica, Nicaragua, Italy, Switzerland, Russia, Romania, China, South Korea, Japan, Ukraine, San Marino and Pakistan participate as observers (ALADI, 2017).

The main principles stated by the TM80 are: pluralism in political and economic matters, progressive convergence of partial actions for the establishment of a Latin-American Common Market, flexibility, differential treatments based on the level of development of the Member States and multiplicity in the forms of concertation of commercial instruments.

ALADI aims to promote the harmonious and balanced socio-economic development of the region in order to achieve the economic expansion of the region and the integration of its member states. The main goal to reach the desired level of integration is by a gradual and progressive establishment of a Latin-American Common Market. The mechanisms proposed by ALADI to accomplish that goal are:

- Creation of a regional tariff preference applied to products originating in member countries against tariffs enforced for third countries.
- Establishment of agreements with regional scope (common to the member states)
- Partial scope agreements with the participation of two or more countries in the area (ALADI, 2017).

Both types of agreements may cover the following matters, as established in the article 14 of the TM80: tariff reduction; trade promotion; economic complementation; finance, tax, customs and sanitary cooperation; preservation of the environment; scientific and technologic cooperation; tourism promotion; among others.

As it has been seen, the main goal of ALADI is to accomplish a harmonious and balanced socio-economic development of the region. For that, the main tool is the creation of a Latin-American Common Market. All the principles, agreements and specific actions of the organization aim at that goal. ALADI considers that combining efforts to promote an economic cooperation is the only way to reach the desired level of integration in the region. Therefore, all the decisions must be taken in unity and not separately. The preferences and interests of the bloc were formed by decision of all the member states, with an emphasis on the development of the least relative developed countries (Bolivia, Ecuador and Paraguay). Since the main goal of the organization is to reach balanced development of the whole region, it can't be said that any country is relatively more powerful than others, because the other's development is on the best interests of those countries that could be considered more powerful. On the contrary, instead of finding more influential states, ALADI acknowledges that there are three states on it that need extra help to pursue their development and reach the same level of their peers (Bolivia, Ecuador and Paraguay), which makes them the weaker members of the organization. The relative bargaining power of stronger states isn't a problem in ALADI's case, but the power of negotiation of the weaker states that require more assistance.

On the other hand, there isn't any spillover effect from low politics to high politics areas, since the goals of the organization remain only in the economic arena. May be when the Latin-American Common Market is functional, ALADI will expand its range of action to other political issues, but nowadays, that's not the case. Although ALADI claims to be an integration bloc, an actual integration would start to seem plausible only when the Latin-American Common Market is settled. Before that, it can only be considered a sub-regional arena for mutual cooperation. It is nothing but a space that gives room to inter-governmental negotiation. Integration would be the result of ALADI but it is not its process.

It is also shown when we analyze the ALADI's organic structure. It is formed by several political organs: Council of Ministers of Foreign Affairs, Evaluation and Convergence Conference, Committee of Representatives and General Secretariat. The first one is formed by the Ministers of Foreign Affairs of each member state, who represent the interests of their governments with full powers vested in him/her by the head of state; the second one is in charge of the enforcement of the agreements and the evaluation and its results, it is also formed by the plenipotentiaries of each state; the third one is the permanent political body and negotiating forum where all initiatives are analyzed and agreed, each state has the right to choose one permanent representative. Despite of being a permanent organ with a full time chairman and vice-chairman, it has no autonomy and represents only the interests of the member states individually; and finally the fourth, the General Secretariat, is independent body with that works by delegation of the member states for the administrative matter of the organization. Has it has been proven, the institutions of ALADI have a total participation of the member states as individuals, due to the non-existence

of a supranational body with autonomous power of decision. There is no cession of sovereignty to the regional institutions because all the decisions are taken by the representatives of the member states. At the end, the few institutions that ALADI has are nothing but agents of the member states, with very specific functions delegated by them. Political decisions are taken within the institutions (by the representative of the governments), but it doesn't mean that the institutions themselves have decision power.

### **3. Common Market of the South - (MERCOSUR)**

The Common Market of the South (MERCOSUR) was created by the Treaty of Asuncion, signed in the city with the same name, in Paraguay in 1991. Three years later, in 1994, the institutional structure of MECRCOSUR was established by the Protocol of Ouro Preto (Brazil). MERCOSUR has the main objective of fostering the creation of a common space that would generate investment and commercial opportunities through the competitive integration of national economies into the international market. From its very beginning, MERCOSUR promoted integration, democracy and economic development as its main pillars (MERCOSUR, 2017).

The founding States of MERCOSUR and signatories of the Treaty of Asuncion are Argentina, Brazil, Paraguay and Uruguay. Afterwards, Venezuela became a full member in 2006 and Bolivia in 2015. Some other countries, mainly those who are part of ALADI, participate in MERCOSUR as Associate States. That is the case of Chile, Colombia, Ecuador, Guyana, Peru and

Suriname, who are allowed to participate in the meetings of the several organs of MERCOSUR (MERCOSUR, 2017).

As a bloc, MERCOSUR has signed several FTA's, trade agreements and agreements of economic complementation with the following countries and regional blocs: Andean Community of Nations (CAN), Israel, Egypt, Palestine, Chile, Mexico, Cuba, India and European Union.

The preferences and interests of MERCOSUR were established by the need of its member states to homologue the economic policies and face the international market together, as a bloc. The principles of integration, democracy and economic development were established by mutual consent of the involved parties, with the main goal of achieving a sub-regional common market that make their national economies more competitive in front of the rest of the world. It is impossible to not notice that the goal of MERCOSUR overlaps with the goals of ALADI, if both were to be achieved. Both intend to form a common market as the main objective to integrate.

On the other hand, there is no evidence of any country being more influential than others. In order to maintain equality, the member states of MERCOSUR shift the pro tempore presidency every 6 months. That way, they accept the equal role of all the member states and don't pretend to exert any extra influence over their peers. There are no most powerful or weakest countries in MERCOSUR, which therefore means that the relative bargaining power of each state is the same that the rest of its members.

MERCOSUR's decision making process depends on three main bodies:

- The Common Market Council (CMC);
- The Common Market Group (GMC);
- The Trade Commission (CCM) (MERCOSUR, 2017)

The CMC is highest body of MERCOSUR which leads the integration process politically. It is in charge of the decision making process in order to assure the accomplishment of the objectives of the organization. It is formed by the Ministers of Foreign Affairs and the Ministers of Economy (or its equivalent) of each of the members states. It means that at the end of the day, it is ruled by the governments and not by an autonomous organ. It counts with some support organs like the High Representative of MERCOSUR, the Commission of Permanent Representatives of MERCOSUR and the respective Meetings of Ministers. All of them perform functions on behalf of the CMC, by delegation of responsibilities (all of them are dependent of the CMC). Secondly, the GMC is in charge of ensuring the day-to-day operation of the bloc. It is the executive organ of MERCOSUR and it is formed by 5 full members and 5 alternate members delegated by the government of each state. Usually it corresponds to the Ministers of Foreign Affairs, the Ministers of Economy and the representatives of the Central Bank of each country to participate there. It is oriented to create new groups, sub-groups and Ad Hoc groups and specialized meetings to support the CMC. Once again, they respond to the highest institution formed by members of the governments of each state and are only groups with functions delegated by them. Finally, the CCM administers the common trade policy instruments and assists the GMC. It is in charge of enforcing the application of the policy instruments created by member states, as

for example the common external tariff, as well as monitoring and evaluating all the topics related to common policies and the conditions of the intra-MERCOSUR trade, so they keep a balance that doesn't harm any of the involved parties under any circumstances. It is formed by 4 full members and 4 alternate members of each state and is managed by the coordination of the Ministers of Foreign Affairs. It also counts with the assistance and support of dependent forums, called Technical Committees. As it has been proven, MERCOSUR institutions exist only by the participation of members of the respective governments and lack of autonomy during the decision making process. The CMC, GMC and CCM, the three highest organs of MERCOSUR, are formed by current government officials of the governments and not by permanent members that could fight for autonomy of the institution. Therefore, there is no cession of sovereignty from the governments to MERCOSUR.

These three bodies are assisted by more than 300 negotiation forums in the most diverse areas, which are composed of representatives of each member country and promote initiatives to be considered by the decision-making bodies (highly dependent of the governmental officials). Some of the organs are permanent, such as the High Representative of MERCOSUR (ARGM), the Fund for the Structural Convergence of MERCOSUR (FOCEM), the Institute of Public Policies on Human Rights (IPPDH), the Social Institute of MERCOSUR (ISM), the MERCOSUR Parliament (PARLASUR), the MERCOSUR Secretariat (SM), the Permanent Court of Review (TPR) and the Social Participation Support Unit (UPS). Even though it shows that there hasn't been a spillover effect from low politics to high politics areas, MERCOSUR has evolved steadily in order to improve the relationship between the countries and to cover more ground during the commercial negotiations. The main

examples are the aforementioned institutions, in charge of social areas, human rights, legal documents, and other support units in several areas, all of them related to trade. It means that it has existed a spillover effect, but only within the economic ground (MERCOSUR, 2017).

#### **4. Andean Community of Nations - (CAN)**

The Andean Community is a customs union comprising the South American countries of the Andean zone: Bolivia, Colombia, Ecuador and Peru. The bloc was created by the Cartagena Agreement in 1969 under the name of Andean Pact, by Bolivia, Chile, Colombia, Ecuador and Peru. In 1973 the Pact gained its sixth member, Venezuela. Unfortunately, Chile withdrew in 1976 and Venezuela in 2006, reducing the Andean Pact to the four current member states. In 1996 it changed its name to Andean Community. Its headquarters are located in Lima, Peru. Argentina, Brazil, Uruguay, Paraguay and Chile are associate members and Spain participates as an observer (CAN, 2017).

Along with Mercosur, the Andean Community is one the two main trading blocs of South America. In 1999, these organizations began negotiating a merger with a view to creating a South American Free Trade Area (SAFTA). On December 8, 2004, the Andean Community signed a cooperation agreement with Mercosur and they published a joint letter of intention for future negotiations towards integrating all of South America in a Union of South American Nations (UNASUR), trying to replicate the European Union. The main goals of the Andean Community are:

- Promote the balanced and harmonious development of Member Countries in conditions of equity, through integration and economic and social cooperation;
- Accelerate growth and job creation for the inhabitants of the Member Countries;
- Facilitate the participation of Member Countries in the regional integration process, with a view to the gradual formation of a common Latin American market;
- Reduce external vulnerability and improve the position of Member Countries in the international economic context;
- Strengthen sub-regional solidarity and reduce existing development gaps among Member Countries;
- To seek a permanent improvement in the standard of living of the inhabitants of the sub-region (CAN, 2017).

Just like the case of MERCOSUR, the Andean Community had the main goal of becoming someday a common Latin American market. It was supposed to overcome the steps to become a common market, but it stagnated in the step where it began: started as a customs union and it hasn't evolved through the years. The interests of the members were very clear since its creation and haven't improved ever since. It started as an organization for economic development and it remains as such, with no evidence of an enhancement. It barely extended its functions to other areas with the creation of the Andean passport in June 2001 (human mobility). It was created in June 2001 with the objective of issuing a passport based on a standard model which contains harmonized features of nomenclature and security. The passport is effective in

Ecuador, Peru, Venezuela, Bolivia and Colombia (the two latter since early 2006). Since January 1st, 2005, the citizens of the member countries can enter to the territory of the other Andean Community member states without the requirement of a visa. Travelers should present the authorities their national ID cards. There is other evidence of a spillover effect in the Andean Community, but from low politics areas to other low politics issues (citizen rights, social development through the Andean objectives of social development, several health projects in the border areas, creation of the Andean University Simon Bolivar, environment through an environmental agenda, telecommunications and electrical interconnection, fight against crime, democracy and human rights, among others). All of the countries have the same relative power in the decisions of the Andean Community and their decisions are mutual. All the four member states are in the same position within the institution and they all share the same bargaining power.

The Andean Community could be compared with MERCOSUR, because the two of them pursue the same goal but in different zones of South America. ¿Why they never get to merge and become one big bloc of integration formed by many countries instead of being two with only a few members? They don't overlap with each other because they are formed by different members but both could be stronger and more influential if they worked as one.

The Andean Community is composed of organs and institutions, which are articulated in the Andean Integration System. Those institutions have different functions, from normative and political direction to judicial, executive, deliberative, social, financial and educational purposes. The goal of the Andean Integration System is to allow an effective coordination between all the organs

and institutions to deepen the Andean integration, to promote its external projection and to strengthen the actions taken by the member states during the process.

The organs that form the Andean Integration System are:

- Intergovernmental Organizations
  - Andean Presidential Council: formed by the heads of state of every country. It issues guidelines that must be implemented by the other institutions and bodies;
  - Andean Council of Ministers of Foreign Affairs: formed by the Ministers of Foreign Affairs of each of the member countries, so it functions as an intergovernmental or coordination body.
  - Commission of the Andean Community: formed of plenipotentiary representatives appointed by the governments of each of the member countries. Its functions are all related to the objective of free market within the Andean sub-region. Unlike the previous bodies, in the commission the matters are decided by absolute majority of its members and not of unanimity. This mechanism offers greater flexibility to reach important resolutions without blocking any of the members. Given that there are only four countries that form the Andean Community, at least three of them must agree to take a decision from the Commission onwards (CAN, 2017).

All of the aforementioned institutions count with a direct participation of members of the governments of each state and respond to governmental

guidelines and interests. In their case, there's a very low cession of sovereignty. They are only negotiation spaces more than independent institutions.

- Community organizations
  - Court of Justice: jurisdictional functions (located in Quito, Ecuador)
  - Andean Parliament: legislative power of the community (located in Bogota, Colombia)
  - General Secretariat: executive and administrative organ of the CAN (located in Lima, Peru) (CAN, 2017).

As it has been shown in this section, each country holds the headquarters of one of the main permanent institutions (legal body in Colombia, executive branch in Peru and juridical power in Ecuador), which creates a balance between the influence and power of each one of the member states.

- Other bodies within the Andean Integration System
  - Latin American development bank (CAF)
  - Latin American Reserve Fund
  - Andean Health Organization
  - Andean University Simon Bolivar (Universidad Andina Simón Bolívar)
  - Simon Rodriguez Socio-labor Agreement (CAN, 2017).

These organs have a higher level of autonomy and work on specific areas, delegated by the governments. They are always under the guardianship of the

member states and act as agents of them and perform specific actions demanded by the governmental authorities. They don't have decision power.

- Instances of civil society participation
  - Business Advisory Council,
  - Labor Advisory Council,
  - Advisory Council of Indigenous Peoples,
  - Andean Table for the Defense of Consumer Rights (CAN, 2017).

It is interesting to find some institutions that are managed by the civil society. They don't make any decisions within the CAN but increase the transparency of the sub-regional decisions and its accountability.

## **5. Union of South American Nations - (UNASUR)**

The South American Community of Nations (CSN) was created in 2004 during the Meeting of Presidents of South America held in Cuzco, Peru. It was the predecessor of the current Union of South American Nations (UNASUR). Originally, the CSN aimed to integrate other processes that took place in Latin America, like the MERCOSUR and Andean Community. So, the Heads of State established in 2005 and 2006 a strategic plan to agree on a common agenda in the region. One year later (2007), during the South American Energy Summit held in Venezuela, the Heads of State changed the name from CSN to UNASUR. Finally they approved the Treaty of the Union of South American Nations on May 23rd, 2008 and came into force on March 11th, 2011. The Headquarters of the General Secretariat are located in Quito, Ecuador, and its

Parliament in Cochabamba, Bolivia. The 12 Member States of UNASUR are Argentina, Bolivia, Brazil, Chile, Colombia, Ecuador, Guyana, Paraguay, Peru, Suriname, Uruguay, Venezuela (UNASUR, 2017).

The main goals of UNASUR are: strengthen political dialogue between Member States, social and human development with equity and inclusion, Illiteracy eradication, equal access to quality education and the regional recognition of courses and degrees, energy integration for the sustainable use of the resources, infrastructure development to guarantee the interconnection of the region, adoption of mechanisms compatible with the economic and fiscal policies of Member States, protection of biodiversity, water resources and ecosystems, cooperation in matters of disaster prevention and the effects of climate change, equitable integration, progressive recognition of the rights of a Member State citizens residing in any of the other Member States, equal access to Social Security and health services, unrestricted respect for human and labor rights, economic and trade cooperation, promotion of growth and economic development, development of small and medium enterprises, cooperative companies and networks, creation and implementation of complementary policies and projects of research, innovation, technology transfer and production, strengthening of the identity of the citizens, citizen participation, fight against terrorism, corruption, drugs, trafficking of people, trafficking of small guns and light weapons, transnational organized crime and other threats as, promote cooperation between the judicial authorities of the Member States, exchange of information and experience on defense, cooperation to strengthen public safety (UNASUR, 2017).

UNSAUR failed in achieving its original goal of integrating other regional blocs like MERCOSUR and the Andean Community. The first interest of UNASUR members was to unite all the South American countries under one big umbrella. And even though they were able to do it (all South American nations are members of UNASUR except for French Guiana) they ended up creating a new bloc that overlaps with MERCOSUR and the Andean Community instead of merging them into one bigger integrational group. Beside of that goal that was never achieved, UNASUR created 21 specific objectives that are supposed to be accomplished together by all the member states. Those objectives detail the subjects that need to be reinforced in the region, and encompass several and diverse areas from social development to the fight against terrorism. There hasn't been a spillover effect from low politics to high politics areas because all those subjects were taken into account from the very beginning. The preferences of UNASUR were established by agreement of the member states, with no influence of one member over the others. They promote equality and balance, which shows that there is no relative bargaining power from one state over the others.

The structure of UNASUR is formed by four bodies in charge of making decisions according to their rank:

- Council of Heads of State and Government: it is the highest body of UNASUR. It establishes the political guidelines, action plans, programs and projects, as well as its implementation in the South American integration process.
- Council of Ministers of Foreign Affairs: it is the second more important body of UNASUR. Its main responsibility is to adopt resolutions to

implement the decisions of the Council of Heads of State and Government.

- Council of Delegates: each member states have the right to choose on representative for the Council of delegates. Its main responsibility is to implement, through the adoption of relevant provisions, the decisions of the Council of Heads of State and Government and the resolutions of the Council of Ministers of Foreign Affairs, with the support of the Pro Tempore Presidency and the General Secretariat.
- General Secretariat: administrative functions within UNASUR and support the other higher instances according to the areas of expertise of its different directorates (Directorate of economic affairs, Directorate of social affairs, Directorate of political affairs and defense, Directorate of international cooperation and technical agenda, Directorate of citizen security and justice) (UNASUR, 2017).

In order to meet the 21 objectives of the organization, UNASUR's heads and State and Government created additional institutions in charge of implementing the decisions made by the main bodies of the organization and serve as instances for consultation, cooperation, coordination, research and exchange of experiences. They are called the Sectoral Ministerial Councils, in accordance with the Article 6 of the Constitutive Treaty. These are thematic councils that respond to the objectives of UNASUR, aligned with the guidelines established by the political bodies of the organization. There's one council for each of the following areas: defense; health; energy; science, technology and innovation; culture; social development; economy and finance; education; infrastructure and planning; drugs; citizen security,

justice and coordination of actions against transnational organized crime and an electoral council.

The highest bodies of UNASUR are political and are formed by the representatives of the respective governments. The decision making institutions are only the Council of Heads of State and Government, the Council of Ministers of Foreign Affairs and the Council of Delegates. None of them are independent because they represent directly the interests and preferences of the governments as individuals. It proves that the role of states is more important than the role of institutions (which lack of autonomy). There is a partial cession of sovereignty to the other technical institutions (councils) which are in charge of implementing the policies established by the hierarchically higher organs. But not all of them do so, since a few were created only to enhance cooperation and coordination among the member states and to serve as consultations instances. It means that all the institutions within the structure of UNASUR work as agents of the member states. Most of them fulfill functions that have been delegated by higher bodies. There's no autonomy of the supranational institutions. UNASUR itself is more an organization created to enhance convergence between South American nations rather than integrating them.

## **6. Community of Latin American and Caribbean States - (CELAC)**

The Community of Latin American and Caribbean States (CELAC) originated in February 2010 in Caracas, Venezuela, as a successor of two previous similar regional blocs: the Latin American and Caribbean Summit on Integration and Development (CALC) and the Rio Group. It was created by the

Caracas Declaration, signed by the Heads of State on year later (2011). It is a representative mechanism of dialogue, political agreement, cooperation and integration in Latin America and the Caribbean. It is considered as well an effort to challenge the “interference” of the United States in the regional basis. Venezuela and Cuba’s leadership roles in the bloc led some to describe the group as an attempt to reject U.S. influence. After the group’s first meeting in 2011, CELAC was described as “a badge of Latin America’s increasing independence from U.S. hegemony in the Western Hemisphere” (CELAC, 2017).

It brings together 33 countries of Latin America and the Caribbean: Antigua and Barbuda, Argentina, The Bahamas, Barbados, Belize, Bolivia, Brazil, Chile, Colombia, Costa Rica, Cuba, Dominica Dominican Republic, Ecuador, El Salvador, Grenada, Guatemala, Guyana, Haiti, Honduras, Jamaica, Mexico, Nicaragua, Panama, Paraguay, Peru, Saint Vincent and the Grenadines, St. Kitts & Nevis, Saint Lucia, Suriname, Trinidad and Tobago, Uruguay and Venezuela (CELAC, 2017)..

CELAC describes itself as a representative mechanism of dialogue, political agreement, cooperation and integration. It is a regional forum that doesn’t pursue integration itself as the main goal. It uses several means to promote unity among the member states. For example, as a representative mechanism for Latin America and the Caribbean, CELAC assumes, among its powers, the Community's dialogue with other countries and regional groups. These include the CELAC Dialogue with the European Union, the CELAC-China Forum, the Dialogue Mechanism with the Russian Federation, as well as the relations with the Republic of Korea, the Cooperation Council for the Arab States of the Gulf,

Turkey and Japan. It is the common ground to harmonize policies in order to sit on the table with other international forums, groups and individual states with a unified voice for Latin America and the Caribbean. It seems that the leaders of this group are Venezuela and Cuba, who managed to convince the rest of the member states to establish an anti-imperialism policy that left aside the United States and Canada. Let's remember that CELAC is formed by the same member states of the OAS except for United States and Canada, and it has an active participation of Cuba (currently not a voting member of the OAS). Venezuela and Cuba has shown a higher influence than other countries to impose their interests in the group and make them a regional belief. Their bargaining power has been higher than other's but not with the intention of gaining profit from it but to convince other member states of some share thoughts (CELAC, 2017).

Each year, one country is in charge of the pro-tempore presidency, which is the institutional, technical and administrative body of CELAC. The country that holds the CELAC pro-tempore presidency hosts multilateral talks among leaders from all the member countries, called Summits of Heads of State and Government. During these meetings the leaders set the group's agenda and objectives for the next year. There's also a troika formed by the current country in charge of the pro-tempore presidency, the Predecessor and successor of that responsibility and the country in charge of the pro-tempore presidency of CARICOM. CELAC leaders met for the first time in Venezuela in 2011 to inaugurate the organization. In January 2013, heads of state met in Chile to mark the first of the bloc's official annual gatherings. So far, 6 summits have taken place: Venezuela (2011), Chile (2012), Cuba (2013), Costa Rica (2014), Ecuador (2015) and Dominican Republic (2016) (CELAC, 2017).

The only body that CELAC has is the pro-tempore presidency. It cannot be considered an institution since it is the responsibility of one member state and shifts every year. Therefore, there's not even the possibility of considering neither a hypothetical cession of sovereignty to any supranational institution nor a delegation of functions to regional institutions, due to its inexistence.

## **7. Caribbean Community - (CARICOM)**

The Caribbean Community (CARICOM) is a grouping of twenty countries: fifteen Member States and five Associate Members. The 15 member States are Antigua and Barbuda, Bahamas, Barbados, Belize, Dominica, Grenada, Guyana, Haiti, Jamaica, Montserrat, Saint Lucia, St Kitts and Nevis, St Vincent and the Grenadines, Suriname and Trinidad and Tobago. Whereas the associate member states are Anguilla, Bermuda, British Virgin Islands, Cayman Islands and Turks and Caicos Islands (CARICOM, 2017).

CARICOM came into being on July 4th, 1973 with the signing of the Treaty of Chaguaramas by Barbados, Guyana, Jamaica and Trinidad and Tobago. The Treaty was later revised in 2002 to allow for the eventual establishment of a single market and a single economy. Its headquarters are located in Georgetown, Guyana (CARICOM, 2017).

CARICOM rests on four main pillars: economic integration, foreign policy coordination, human and social development and security. These pillars underpin the stated objectives of the Community:

- To improve standards of living and work;
- The full employment of labor and other factors of production;
- Accelerated, coordinated and sustained economic development and convergence;
- Expansion of trade and economic relations with third states;
- Enhanced levels of international competitiveness;
- Organization for increased production and productivity;
- Achievement of a greater measure of economic leverage;
- Effectiveness of member states in dealing with third states, groups of states and entities of any description; and
- The enhanced coordination of member states' foreign and foreign economic policies and enhanced functional cooperation (CARICOM, 2017).

The Caribbean countries share a very similar socio-economic position in the world system, which led them to come up with mutually beneficial agreements under the principles of economic integration, foreign policy coordination, human and social development and security. Their need for accomplishing their objectives (all of them aiming towards a balanced economic development and social wellbeing of their respective population) moved them to create this bloc. All the member states of CARICOM share the same power and responsibilities within the organization, which allow them to help each other in the accomplishment of that goal and obtain a similar assistance from its peers. At the end of the day, the member states pursue the improvement of their own individual situation but with the support of its peers through this sub-regional platform. CARICOM's member states intended to raise the level of integration

when they revised the Treaty of Chaguaramas in 2002 to include the parameters for an eventual creation of a single Caribbean market and become in the future a single economy in the region. New goals have been settled by CARICOM states, which confirm a snowball effect, but only within the economic ground (they haven't reached any agreement for raising their level of integration to a political one). Nevertheless, CARICOM has created and strategic plan for the years 2015 and 2016, which establishes guidelines for the member states to give a regional answer for the MDG. They generated some regional projects in the areas of crime and security, education, energy, sustainable development, environment, gender, health, sports, technology, transportation, youth, etc, in order to respond to the MDG. It means that a partial spillover effect has taken place to other more political areas, but only in terms of projects to support MDG and not as in political decisions for the integration of the bloc.

The main bodies of the CARICOM are the Conference of Heads of State and the Council of Ministers. The Conference of Heads of Government is composed by the Heads of Government of the Member States and is the supreme body of the Caribbean Community. The decisions of the Conference are generally taken by unanimity. It determines and provides its political direction. In addition to this function. The Conference is also responsible for making financial arrangements to cover Community expenditure, but has delegated this function to the Community Council. Additionally, the Heads of Government of CARICOM have also established a quasi-cabinet agreement in order to move forward on specific issues, by assigning exclusive responsibilities to each state for the development of determined areas. For example, Antigua and Barbuda is in charge of services, Bahamas is in charge of tourism, Belize in charge of justice, etc. On the other hand, the Council of

Ministers is the second highest body in the Community. In accordance with the provisions of Article 13 of the revised Treaty, the primary responsibility of the Council is the development of strategic planning and community coordination in the areas of economic integration and human and social development (CARICOM, 2017).

The main bodies are assisted by four councils, three commissions and one secretariat (which constitute the main administrative body and has its headquarters in Georgetown):

- **Councils**

- Finance and Planning Council (COFAP);
- Council for Trade and Economic Development (COTED);
- Council for International Relations (COFCOR);
- Human and Social Development Council (COHSOD) (CARICOM, 2017).

- **Commissions**

- Legal Affairs Committee: legal Assistance to the bodies and committees;
- Budget Committee: reviews the budget and works on the program of the secretariat, also recommendations to the council of ministers;
- Central bank committee of governors: recommendations and advice in financial, monetary and fiscal areas (CARICOM, 2017).

All of them perform duties delegated by the Conference of Heads of State and the Council of Ministers and have no decision-making authority. No institution has a higher power than the states themselves. The role of the member states, through its head of states and its ministers, is crucial for the existence of CARICOM. The councils and commissions are nothing but support agents of the member states, that don't count with any sovereignty yielded by the countries.

## **8. Central American Integration System - (SICA)**

The Central American Integration System (SICA) is the institutional framework of regional integration in Central America, created by the states of Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua and Panama. It was established on December 13, 1991, by the signing of the Protocol to the Charter of the Organization of Central American States (ODECA) or Tegucigalpa Protocol, which amended the Charter of ODECA, signed in Panama on December 12ve, 1962. Belize joined the organization in 2002 as a full member and Dominican Republic did likewise in 2013. The System includes a group of Regional and Extra regional Observers: the regional observers are México, Chile, Brazil, Argentina, Peru, United States, Ecuador, Uruguay and Colombia. The extra regional observers are: China (Taiwan), Spain, Germany, Italy, Japan, Australia, South Korea, France, The Holy See, the United Kingdom, the European Union, New Zealand, Morocco, Qatar, Turkey, the Order of Malta and Serbia. Presently, Haiti is in the process of incorporation as Regional Observer. SICA's General Secretariat headquarters are located in Republic of El Salvador. SICA is an observer in the

United Nations and holds dialogue links with OAS, CAN, MERCOSUR, CARICOM, and the EU among other regional and global cooperation or integration schemes (SICA, 2017).

The Central American Integration System (SICA) established 10 objectives to accomplish the integration of Central America in order to become a region of peace, freedom, democracy and development. The main steps to attain that goal are:

- To consolidate democracy and strengthen its institutions based on the existence of governments elected by universal, free and secret suffrage, and on the unrestricted respect for human rights;
- To set up a new model of regional security based on the reasonable balance of forces, the strengthening of civilian authority, the overcoming of extreme poverty, the promotion of sustainable development, the protection of the environment, and the eradication of violence, corruption, terrorism, and drug and arms trafficking;
- To promote a broad regime of freedom to ensure the full and harmonious development of the human person and of society as a whole;
- To achieve a regional system of welfare and economic and social justice for the peoples of Central America;
- To attain economic union and strengthen the Central American financial system;
- To strengthen the region as an economic bloc in order to insert it successfully into the international economy;

- To reaffirm and consolidate the self-determination of Central America as it pertains to the region's external relations, through a single strategy to strengthen and expand the participation of the region as a whole in the international arena;
- Promote, in a harmonious and balanced way, the sustained economic, social, cultural and political development of its member states and the region as a whole;
- Establish concerted actions directed toward the preservation of the environment through respect and harmony with nature, ensuring the balanced development and rational exploitation of natural resources of the area, with a view to establishing a New Ecological Order in the region.
- To constitute the Central American Integration System based on a legal and institutional order and mutual respect among the member states (SICA, 2017).

The objectives of SICA were designed taking into account the previous experiences of integration of the region, as well as the lessons learnt from historical events in the region, such as political crises and armed conflicts and the achievements of institutions and entities prior to SICA, which are nowadays part of the organization. Based on these elements, the Central American member states transformed their internal constitutional regimes and the impulse democratic regimes in the region. Once they all were in the same page, Central American countries established its fundamental mutual objective, which is the attainment of integration of Central America, in order to convert it into a region of peace, freedom, democracy and development based on respect,

protection and promotion of human rights. The Central American states that form SICA forged a clear path of integration step by step, by aligning their individual and mutual interests and preferences: first they achieved stability and democracy within their own individual borders; once they became equals in terms of democratic values, they agreed to elevate it to a sub-regional level and achieve peace, freedom, democracy and development in the region. For that, integration would be the main tool. Even though it has been said that integration is the goal of SICA, the truth is that integration is the main tool used by the member states of SICA to gain the actual goals, which are peace, democracy, freedom and development. Then, they promoted the process on institutional order and mutual respect bases among the member states. As it has been shown, SICA's member states started the process of integration even before of becoming a bloc. They all had to homologate their political regimes in order to be part of a bloc formed by equals. It didn't let room for any country to be more influential than the others and impose its particular interests. There's balance among the member states because they truly share the same interests and because they all have the same bargaining power. The process, planned step by step, allowed them to settle a sub-regional agenda to achieve their goals in an organized way. It didn't left room for any spillover effect, because everything was planned from the very beginning. The most important issues to be solved in the region corresponded to several subjects, both in low and high politics areas.

In order to achieve the aforementioned objectives, SICA and its member states agreed to follow several fundamental principles, which also aim to perform actions in the most diverse subjects, just like the objectives of the organization:

- The tutelage, respect and promotion of human rights as the fundamental basis for the Central American Integration System;
- Peace, Democracy, Development and Freedom, as a harmonious and indivisible whole which shall guide the actions of the member countries of the Central American Integration System;
- Central American identity as an active manifestation of regional interests and of the willingness to participate in the consolidation of the region's integration.
- Central American solidarity as an expression of the region's deep interdependence, common origin and destiny;
- The phased, specific and progressive nature of the process of economic integration, based on harmonious and balanced regional development; special treatment to relatively less developed Member States; equity and reciprocity, and the Central American Exception Clause.
- The all-encompassing nature of the integration process and the democratic participation in said process of every social sector.
- The legal certainty with respect to relations between the Member States and the peaceful settlement of their disputes.
- The good faith of member states in the fulfillment of their obligations by refraining from establishing, agreeing or taking any action that is contrary to the provisions of this instrument or which obstructs the implementation of the fundamental principles of the Central American Integration System or the attainment of its objectives.
- Respect for the principles and norms of the charters of the United Nations (UN) and the Organization of American States (OAS), and the

statements issued in the Central American Presidential meetings since May 1986 (SICA, 2017).

SICA is formed by several bodies, created to accomplish the main goals of the institution:

- Meeting of Presidents or regional summits: is the Supreme Organ of the Central American Integration System and is made up by the constitutional Presidents of the Member States. Its main functions are: to establish regional integration guidelines as well as the necessary provisions to guarantee the coordination and harmonization of the activities of the bodies and institutions of the region; to verify, control and follow-up their mandates and decisions; and to harmonize the foreign policies of its member states.
- Council of Ministers of Foreign Affairs: it is responsible for the democratization process, peacemaking, regional security and other political matters, as well as the coordination and follow-up in concerning political decisions and measures of economic, social and cultural nature that may have international repercussions. It has to approve the annual budget of the organization, draw the agenda and prepare the Meetings of Presidents.
- Executive Committee (CE-SICA): consists of a representative of each Member State, appointed by their Presidents through the Ministers of Foreign Affairs. It is in charge of ensuring through the General Secretariat, the efficient execution of the decisions adopted in the Meetings of Presidents, ensuring compliance with the provisions of the

protocol of the organization and its supplementary instruments, establishing sectorial policies and drafting the budget.

- General Secretariat (SG-SICA): administrative matters (SICA, 2017).

These bodies depend on the direct participation of the governments of the member states. They are not independent institutions. Since the governments represent them there's no cession of sovereignty to them, except of the Executive Committee, which constitutes a mean of the governments to ensure the governmental decisions are carried out. Beside of these political institutions, there are other instances of SICA that act as agents of the member states, like the Meeting of Vice Presidents, the Central American Parliament (PARLACEN), the Central American Court of Justice (CCJ) and the Consultative Committee (CC-SICA). It also has several Secretariats, related directly to SICA General Secretariat, that work on specific issues delegated by the Secretariat, such as economic integration, social integration, environment, agriculture, health, gender equality, tourism, education, finance and monetary issues. There are also specialized institutions, like the Central American Bank for Economic Integration (BCIE), Controller Regional Council of SICA (CFR-SICA), Coordination Center for Natural Disaster Prevention in Central America (CEPREDENAC) among others. These are agents of the member states.

## **9. Bolivarian Alliance for the Peoples of Our America - (ALBA)**

The Bolivarian Alliance for the Peoples of Our Americas - People's Trade Treaty or ALBA-TCP, was founded on the 14th of December 2004 when presidents Hugo Chavez of Venezuela and Fidel Castro of Cuba signed

protocols bringing the agreement into existence. In its own terms the ALBA is defined as an integration platform whose fundamental purpose is to achieve integral development for Latin America and the Caribbean through a process of integration inspired by the likes of Simon Bolivar and Jose Marti. Trade has tended to mark other regional agreements, whereas ALBA professes to be a political, economic, and social alliance in defense of independence, self-determination and the identity of peoples comprising it. It is a platform created for the integration of the countries of Latin America and the Caribbean, which emphasizes solidarity, complementarity, justice and cooperation, based on the fundamental historical purpose of uniting the capacities and strengths of the countries that integrate it (ALBA 2017).

The cardinal principle that guides ALBA is the solidarity among the peoples of Latin America and the Caribbean, based on the ideas of Bolivar, Martí, Sucre, O'Higgins, San Martín, Hidalgo, Petion, Morazán, Sandino and so many other heroes, without selfish nationalism or restrictive national policies that deny the goal of building a Great Homeland in Latin America (ALBA 2017).

ALBA doesn't harbor under mercantilist criteria or selfish interests of business gain or national benefit to the detriment of other peoples. It seeks to have a broad Latin American vision that recognizes the impossibility of our countries to develop if isolated (ALBA 2017).

The countries that currently make up ALBA-TCP are: Venezuela, Cuba, Bolivia, Nicaragua, the Commonwealth of Dominica, Antigua and Barbuda, Ecuador, Saint Vincent and the Grenadines, Saint Lucia, Saint Kitts and Nevis

and Granada. Special guests of ALBA are Syria, Haiti and Surinam (ALBA 2017).

Unlike other sub-regional blocs, ALBA was created with a purely political perspective, based on the principles and thoughts of the historical leaders of the independence wars period. It doesn't focus on economic development like other blocs but on its political interests. It is a sub-regional alliance created in defense of independence, self-determination and the identity of the peoples. Therefore, it rejects colonialism and imperialism, showing that one of its main purposes was to stand as a group in front of the colonial powers and the influence of the United States in the Latin American region. Actually, it wanted to contradict and face the project boosted by the United States called Free Trade Area of the Americas (FTAA), or ALCA by its acronym in Spanish, which gathered all the American countries but Cuba (excluded by USA).

Despite of proclaiming solidarity and complementarity among the member states and despite of avoiding selfish nationalism and selfish interest of the states to gain national benefit, the two states that suggested the creation of ALBA in the first place clearly have a bigger influence on the decisions of the whole BLOC. All of its political decisions are based on the "Socialism of the 21st Century", a political ideology created and adopted by Venezuela and Cuba, that has tried to be spread throughout the region using ALBA as a platform for such goal. Venezuela and Cuba not only have a relative higher negotiating power but they actually make the major decisions of the bloc and persuade the other countries to adopt them too. Basically, the interests and preferences of the bloc are determined by these two other countries. Among the other member

states, the two countries that have a better economic situation also have a louder voice within the organization; we are talking about Ecuador and Bolivia.

Beside of the summits of head of the states (where most of the decisions are made, by the political leaders of the member states) ALBA is divided by Councils that work on specific matters: Political Council, Economic Council, Social Council and Social Movement Council. These councils are agents of the member states within ALBA's organization, which fulfill functions delegated by the states. They don't make decisions.

Unlike other regional blocs, ALBA is formed by "grannational" projects rather than institutions, related to the following areas: food, environment, science and technology, trade, culture, education, energy, industry, health, telecommunications, transportation, tourism. In this case there's no cession of sovereignty to the sub-regional institutions because actually they don't exist. They entirely depend on the member states and don't have any representation as for acting on their own. The bloc works under projects, no institutions.

ALBA is an interesting case because it only has 4 institutions (councils) where the political position of the countries are formed, regarding the specific matters of each council, and then several grannational projects created to work in other areas. Hence, a spillover effect has taken place in ALBA but not for low politic areas to high politic areas but the other way around. It started as an exclusively political bloc and little by little established the projects to serve other areas such as economic, cultural, touristic, etc. In fact, in 2008, ALBA created the Bank of ALBA, institution in charge of financing the multinational projects of the member countries, by providing loans to the member states and solving

economic litigation. It shows that the spillover effect followed a reverse path. The Bank had an initial capital of more than 1 billion dollars contributed by all the participants according to their financial capacity, thus the major contributions were made by Venezuela and Cuba, who decide to which projects consign the funds. Again, in the bank is shown the influence and power of the two main countries in ALBA: Venezuela and Cuba.

### **10. Pacific Alliance - (AdP)**

The Pacific Alliance is an initiative of regional integration comprised by Chile, Colombia, Mexico and Peru, officially established on April 28th, 2011 by the Lima Declaration. The initial goal of the alliance was to foster free trade with a clear orientation toward Asia and the Pacific and the sub regional economic integration. Besides of the 4 member states, there are two countries in the incorporation process (Costa Rica and Panama) and 52 countries participate as observers (AdP, 2017).

The Pacific Alliance main objectives are:

- Build in a participatory and consensual way an area of deep integration to move progressively towards the free movement of goods, services, resources and people
- Drive further growth, development and competitiveness of the economies of its members, focused on achieving greater well-being, overcoming socioeconomic inequality and promote the social inclusion of its inhabitants;

- Become a platform of political articulation, economic and commercial integration and projection to the world, with emphasis on the Asia-Pacific region;
- Among the more important agreements that have been reached is the creation of joint diplomatic missions (embassies, consulates, etc.) that will provide citizens of Pacific Alliance member states with needed diplomatic services. The Declaration of Cali highlights the importance of the opening of an embassy shared between Chile, Colombia, Mexico and Peru in Ghana, as well as the agreement between Chile and Colombia to share embassies in Algeria and Morocco and between Colombia and Peru to share an embassy in Vietnam. The Declaration of Cali encourages these countries to move forward on these initiatives. In November 2014 Mexico opened its first trade office in Africa (AdP, 2017).

The Pacific Alliance doesn't count on institutions for their work. The main decisions are made by the Summit of Presidents that takes place twice a year in a rotating headquarter. This way, all the decisions are made by the political leaders of the member states, with an equal participation of each one of them and without more individual influence of any. Together, they agreed to explore Asia and the Pacific for new markets and trade. All of them are countries with a border in the Pacific Ocean, which was the factor that unified them in the decision of joining efforts when exploring these new opportunities. They were moved by the common interests to integrate. They started aiming at this economic goal at first (at an international level) and then they widened their scope by directing new efforts towards a higher integration of the member states by achieving free movement of goods, services, resources and people

among the 4 member states (at a domestic/regional level). Later on, they created the sharing embassies policies, in a more political scale. It had a partial spillover effect, with a very specific action that changed from low politics areas to a political area like sharing embassies. However, it is more an issue of cooperation and efficient use of resources rather than an actual spillover effect in terms of political integration.

In spite of not having created institutions, the meeting of the presidents of the congresses of Chile, Colombia, Mexico and Peru in May 6th, 2013, held in Bogota, Colombia, gave the first step towards the consolidation of a Parliament of the Pacific Alliance which will begin with the installation of a plenary of the Parliament, made up of 10 representatives of each of the congresses of the member countries. Moreover, in July 11th, 2013, the Parliamentary Monitoring Committee of the Pacific Alliance was created at the Palacio de La Moneda in Santiago, Chile, at a meeting of the representatives of the four congresses of the member countries, with an observer delegation of the Spanish government. In addition, Chilean senator and former president Eduardo Frei Ruiz-Tagle was appointed as coordinator. According to Frei, this commission will serve to translate into law the agreements reached by the governments of the Alliance as a real integration initiative in Latin America beyond the commercial matters. So far, these are the only institutions of the Pacific Alliance. It means that the member states are 100% in control of the AdP, since it doesn't have any institution to share sovereignty with. The Parliament is the only one that exists, as an agent of the member states, and the Parliamentary Monitoring Committee as a means of the governments to ensure their decisions are carried out.

## **CONCLUSIONS AND RECOMMENDATIONS**

The following chapter corresponds to the results, conclusions and recommendations of the analysis of the theories and its connection to the 10 sub-regional blocs in Latin-America. A table has been created in order to gather the 3 assumptions of the theories (national preferences formation, interstate bargaining and institutional delegation) and connect them to the 10 cases. Each of the three assumptions (variables) contains three indicators (based on the theories) that will help us on giving clarity to the overall statement of each section. At the end, it will allow us to define at what level the sub-regional blocs respond to intergovernmentalism and liberal intergovernmentalism. It will be used for defining if each bloc is an actual process of integration (understood as a process of gathering the member states of a regional bloc under one supranational institution that makes the individual states work as one in front of the international community) or a bloc of cooperation (understood as a bloc where the member states act like individuals and just cooperate with their peers rather than becoming one bigger entity) and policy coordination as intergovernmentalism and liberal intergovernmentalism suggest. Finally, some recommendations will be given, according to the elements that need to be changed in each bloc in order to be fully linked to the variables of the theories, or on the contrary, to achieve a higher level of integration.

It is factual that intergovernmentalism and liberal intergovernmentalism have been the main two theories for explaining regional integration in Europe,

but the truth is that they were created in the first place to criticize the process of integration in that continent and challenge other theories that stated that Europe is a bloc of integration. Instead, intergovernmentalist and liberal intergovernmentalist scholars argue that there's not an actual integration but a process of cooperation and policy coordination in Europe. Therefore, it has been concluded that an actual process of integration would have the opposite elements of the intergovernmentalist and liberal intergovernmentalist theories. For the purpose of this research, in the next table are presented the identified variables of the two theories and some indicators of my own elaboration to analyze if each bloc responds to the variables of the aforementioned theories or not. It also includes a brief explanation of the meaning of each one of those indicators and the expected answer if the blocs were to respond to intergovernmentalism and liberal intergovernmentalism.

**Table 1**

***Indicators of Intergovernmentalism and Liberal Intergovernmentalism***

Variables and assumptions of the theories	National preferences formation			Interstate bargaining			Institutional delegation		
Specific indicators	Preference and interest formation of the blocs	Influence of the interests of the most powerful countries	Spillover from low politics to high politics areas	Relative bargaining power of each individual state	¿Cession of sovereignty to the institutions or not?	More participation of states than of the institutions as independent bodies	Institutions are agents of the member states	Delegation of functions	¿Supranational institutions make decisions?
Explanation (theories = intergovernmentalism and liberal intergovernmentalism)	The theories state that the states are the main actors when establishing the preferences and interests of the blocs	The theories state that there are more influential countries who impose their interests	The theories state that there isn't supposed to exist a spillover effect from low politics areas to high politics areas	The theories state that some states have a relative higher bargaining power	The theories state that there shouldn't be a cession of sovereignty to regional institutions	The theories state that states have a more important participation that the institutions as independent bodies	The theories state that the institutions of the bloc are nothing but agents of the member states	The theories state that the member states may delegate functions to the member states instead of yielding their sovereignty	The theories state that supranational institutions don't make any decisions since that's of exclusive responsibility of the member states
Expected answer if the bloc dynamics respond to the variables of the theories:	By the states	Yes	No	Yes	No	Yes	Yes	Yes	No

**Source:** variables of the intergovernmentalism and liberal intergovernmentalism

**Elaboration by:** Luis Felipe Roman

As it has been said, intergovernmentalism and liberal intergovernmentalism were created as mechanisms created to criticize the process of integration in Europe, arguing that Europe hasn't faced such a process and should be considered only as a cooperation group. According to this statement it has been concluded that for achieving an actual regional integration it would be necessary for the states to challenge the variables of intergovernmentalism and liberal intergovernmentalism. This way, they could change the path of cooperation only, to a path of actual integration. It means that the member states of Europe (or any other bloc) should form their preferences in a regional basis, through regional institutions and not from the individual interest of states; there shouldn't be any country with more influence than the others; there should be a spillover effect that gradually allows the bloc to evolve from low politics areas to high politics areas; the member states should be in equality of conditions and any of them should have a relative higher bargaining power; there should be a fully cession of sovereignty to supranational institutions so they become independent and autonomous and transform them into the main actors of integration rather than the states; the institutions can be no longer agents of the member states, because they would respond to a higher autonomous supranational organ rather than to the governments; these institutions may have a delegation of functions but not made by the governments, since a higher body would be in charge of it; and finally the supranational institutions would be able, by themselves, to make decisions in behalf of the member states. Therefore, as closest each individual bloc meets the answers of the previous table, the closest it would be to respond to intergovernmentalism and liberal intergovernmentalism, but the furthest it would be from reaching an actual integration process. Instead, it should be considered a cooperation bloc, rather than an integration group. The next table

presents the results of the aforementioned variables and the analysis of the elaborated indicators in the 10 sub-regional blocs:

Table 2

*Test of Intergovernmentalism and Liberal Intergovernmentalism variables in Latin-American sub-regional integration blocs*

Sub-regional bloc	National preferences formation			Interstate bargaining			Institutional delegation		
	Preference and interest formation of the blocs	Influence of the interests of the most powerful countries	Spillover from low politics to high politics areas	Relative bargaining power of each individual state	¿Cession of sovereignty to the institutions or not?	More participation of states than of the institutions as independent bodies	Institutions are agents of the member states	Delegation of functions	¿Supranational institutions make decisions?
Organization of American States (OAS)	By the states: reflection of the preferences and interests of the governments as individuals	Yes (United States influence the interest formation of the whole bloc)	No (the new set of institutions that has been gradually established over the years show a partial spillover effect, but no from low politics to high politics areas.	Yes (United States not only has a higher relative power but imposes certain unilateral decisions)	Partial (institutions perform administrative duties or work in their respective field of action, but always under the decisions and the acquiescence of the of the governments)	Yes	Yes	Yes (administrative functions and also in the specific areas of expertise of each organization)	No (political decisions are made within the institutions by the representative of the governments. No autonomy of the institutions in the decision making process)
Latin American Integration Association (ALADI)	By the states: reflection of the preferences and interests of the governments as individuals	No	No (economic matter only, by the goal of forming a Latin-American Common Market )	Weaker states (Bolivia, Ecuador, Paraguay)	No (organs formed by government official and directly dependent of the states)	Yes	Yes	Yes (only administrative functions)	No (political decisions are made within the institutions by the representative of the governments. No autonomy of the institutions in the decision making process)

Common Market of the South (MERCOSUR)	By the states: reflection of the preferences and interests of the governments as individuals	No	No (only within the economic ground, not form low politics to high politics areas)	No	No (organs formed by government official and directly dependent of the states)	Yes	Yes	Yes	No (political decisions are made within the institutions by the representative of the governments. No autonomy of the institutions in the decision making process)
Andean Community of Nations (CAN)	By the states: reflection of the preferences and interests of the governments as individuals	No	Partial (from low politic areas - economic - to other low politic areas –civil rights, social development, health, etc)	No	No (organs formed by government official and directly dependent of the states)	Yes	Yes	Yes	No (political decisions are made within the institutions by the representative of the governments. No autonomy of the institutions in the decision making process)
Union of South American Nations (UNASUR)	By the states: reflection of the preferences and interests of the governments as individuals	No	No	No	Partial: technical institutions (councils) are in charge of implementing the policies established by the hierarchically higher organs).	Yes	Yes	Yes	No (political decisions are made within the institutions by the representative of the governments. No autonomy of the institutions in the decision making process)

Community of Latin American and Caribbean States (CELAC)	By the state: Political interests of the member states	Yes (Venezuela and Cuba influence to challenge the “interference” of the United States in the regional basis)	No (exclusively a political group)	Yes, Venezuela and Cuba’s convinced other member states to belief on the anti-imperialist principle). Venezuela and Cuba held the pro tempore presidency in the first 3 years of CELAC’s existence	No (institutions don’t even exist in CELAC. The pro tempore presidency isn’t an institution)	Yes (supranational institutions don’t exist in CELAC)	No	No	No (political decisions are made exclusively by the states. There’s any intervention of any type of institution).
Caribbean Community (CARICOM)	By the states: Shared individual needs and goals (economic development and social wellbeing).	No (similar economic and social situation among Caribbean countries)	Partial (only within the economic ground, not form low politics to high politics areas – inclusion in its treaty of parameters for the creation of a single market). Some projects created in high political areas for supporting MDG, but they haven’t been used for the integration of the bloc.	No	No (organs formed by government official and directly dependent of the states)	Yes	Yes	Yes	No (political decisions are made within the institutions by the representative of the governments. No autonomy of the institutions in the decision making process)
Central American Integration System (SICA)	By the states: Mutual needs and obligations of the governments	No (same conditions and starting point for all the member states)	No (both low and high politics areas were covered by the establishment of the objectives of the organization from the beginning)	No	No	Yes	Yes	Yes	No, political decisions are made within the institutions by representative of governments. No autonomy of the institutions in the decision making process

Bolivarian Alliance for the Peoples of Our America (ALBA)	By the states: political view of the members states settle the preferences of the whole bloc, based on traditional values and historical leader's ideals.	Yes (Venezuelan and Cuban political ideology influence the blocs decisions)	Partial (started as a purely political organization and expanded to low politics areas)	Yes (Venezuela and Cuba impose their view. The other member states abide their will. No suggestions and initiative from the other member states.)	No	Yes, it barely has institutions (only 4 councils, used only for the homologation of the political positions) The grannational projects can't be considered institutions.	Yes	No	No (supranational institutions don't exist).
Pacific Alliance (AdP)	By the states: mutual interest of the member states to aim towards Asia and the Pacific.	No	Partial (from economic areas to political areas; only one specific case: sharing embassies). No actual political integration.	No	No (there are no institutions to yield sovereignty to)	Yes	Yes (the only 2 institutions, Parliament and the Parliamentary Monitoring Committee, are agents of the states)	No	No

**Source:** variables of the intergovernmentalism and liberal intergovernmentalism and particular information of each sub-regional bloc

**Elaboration by:** Luis Felipe Roman

Now we will see which variables of intergovernmentalism and liberal intergovernmentalism are not present in the each sub-regional bloc in Latin-America:

In the case of the OAS, the only element that slightly differs from the variables of the theories is the cession of sovereignty to supranational institutions, due to its partial cession in two cases: first when institutions like the General Secretariat performs administrative duties and second when the regional organizations work in their respective field of action (health, geography, environment, defense, etc). Both are always under the decisions and the acquiescence of the governments. The rest of the variables respond directly to the theories, which places the OAS as an example of sub-regional cooperation rather than a process of integration. In order to respond 100% to the assumptions of intergovernmentalism and liberal intergovernmentalism, there shouldn't be even a partial cession of sovereignty or independence to the institutions.

The two elements that ALADI doesn't share with the two analyzed theories are: first, the inexistent influence of the interests of the most powerful countries because any state imposes its own interests; and second, the relative bargaining power of each individual state, due to the weaker position of Bolivia, Ecuador, Paraguay (there are no stronger countries, but on the contrary these three weaker states are in a unfavorable position due to their relatively lower economic development). It shows that ALADI is also very close to fulfill the characteristic of intergovernmentalism and liberal intergovernmentalism, what turns it into a cooperation bloc and not an integration process. In order to be totally related to intergovernmentalism and liberal intergovernmentalism, there

should be inequality in the bloc (which would be counterproductive in terms of integration, but it would be necessary if the theories are going to be applicable). These theories state that usually there are stronger countries that have a higher relative bargaining power, but instead, it is very interesting in this case to highlight three weaker countries. ALADI should join individual efforts to improve the situation of these three states and balance the bargaining power in the region. The specific characteristics of ALADI indicate that integration would be the result of ALADI rather than a process.

Only 2 indicators don't let MERCOSUR, CAN and SICA be 100% aligned with intergovernmentalism and liberal intergovernmentalism. I refer to the no influence of the interests of the most powerful countries and the nonexistent relative bargaining power of each individual state. These two indicators should have been answered with a yes in order to be similar to the variables of the two theories. Instead, these two negatives challenge intergovernmentalism and liberal intergovernmentalism by stating that there is actually equity and balance within the three blocs. However, this high level of equity is not enough as for qualifying MERCOSUR, CAN and SICA as integration blocs. Unfortunately, the other characteristics (related to intergovernmentalism and liberal intergovernmentalism) are stronger and define them as cooperation groups.

UNASUR promotes equality among its member states, a reason that leads to a "no" to the influence of the interests of the most powerful countries and the relative bargaining power of each individual state. These two indicators are against the premises of the analyzed theories. A third element also disagrees with them: the partial cession of sovereignty to the institutions (technical

institutions called councils are in charge of implementing the policies established by the hierarchically higher organs bodies. There shouldn't be a cession of sovereignty at all for respecting the two theories entirely. Still, UNASUR is closest to intergovernmental theories rather than integration ones.

The two indicators of CELAC that differ from the two analyzed theories are the role of institutions as agents of the member states and the delegation of functions from the states to those institutions. It occurs in this particular case because institutions don't even exist in CELAC. The only form of organization present in CELAC is the pro tempore presidency in charge of a new member state every year, but it isn't an institution that responds to the needs of the group. CELAC works defines itself as a space for policy coordination and political dialogue. It cannot be considered an integration process because it response to most of the intergovernmental and liberal intergovernmental assumptions. It is also inclined to be a cooperation group rather than a process of integration.

The Caribbean countries share a similar economic and social situation that let them be placed in the same level when negotiating in the sub-regional arena and when forming the preferences of the bloc. Any of the CARICOM member states has influence over the other countries of the bloc and non of them have a higher bargaining power. The third element that is slightly different from the assumptions of the theories is the partial spillover effect from low to high politic areas. The answer to this question is "partial" because CARICOM countries have faced a spillover effect but only within the economic ground, by the including in its treaty the parameters for the establishment of a single market min the region. It also has created some projects in high political areas for supporting MDG, but they haven't reached the level of policies and

haven't been used for the integration of the bloc. CARICOM responds to most of the assumptions of the theories, meaning that it hasn't followed an actual integration path but only a cooperation one. In case of forming a single market, the process of integration would change the course, but so far it hasn't.

ALBA's spillover effect and delegation of functions to sub-regional institutions are the two only elements that separate ALBA from intergovernmentalism and liberal intergovernmentalism. The spillover effect is partial in ALBA because it worked in the opposite way that the theories suggested: it started as a purely political organization and expanded to low politics areas. On the other hand, it hasn't been a delegation of functions to sub-regional institutions because ALBA's structure doesn't count with this type of institutions. Therefore, there are no institutions to delegate functions to. It makes ALBA to be very close to the intergovernmentalist and liberal intergovernmentalist theories, which make us consider it as a cooperation group, not a sub-regional organization pursuing integration.

AdP has 4 elements that don't respond accurately to intergovernmentalism and liberal intergovernmentalism: there's no influence of the interests of the most powerful countries (first) nor any country has a relative bargaining power over the other member states (second). Third, there's no institutional delegation of functions, since AdP doesn't have any regional institutions to share it with or pool it to. Fourth, there is a partial spillover effect from low politics to high politics areas, due to the one specific case of sharing embassies. Although there's no actual political integration due to this only case, it could be the starting point for a further process of integration. However it still is a group of cooperation rather than an integrational group.

The results of the previous analysis confirm that the 10 sub-regional blocs answer to most of the established indicators, and therefore, to the variables of intergovernmentalism and liberal intergovernmentalism. This way, the answer for the research question of this dissertation has been provided and the hypothesis has been proved: there is no integration in Latin American sub-regional blocs but a process of cooperation and policy coordination among the member states. There's not even one bloc that has shown signs of an actual process of integration, since all of them are closer to fulfill what the two theories propose. Then, which improvements can be found for Latin American sub-regional integration through the application of Intergovernmentalism and Liberal Intergovernmentalism theories? Well, the major recommendation would be to avoid intergovernmentalism and liberal intergovernmentalism assumptions if a process of integration wants to be accomplished. Although these theories have been the main framework for explaining the European case of integration, they established in several occasions their clear critiques towards the European process, arguing that there's no such thing as regional integration in the old continent but only cooperation among states. That statement plus the results of this dissertation, allow us to recommend to Latin-American to do the exact opposite of what the theories propose. In the practical field of integration, these theories should be used as a "manual of what NOT to do when pursuing integration". That way, a community could be built beyond the borders of the individual states. Otherwise, they would keep cooperating in a sub-regional basis but always as individuals.

Finally, we have efficiently tested intergovernmentalism and liberal intergovernmentalism in Latin-America, which means that they could also be tested in other regions of the world and not only in Europe as they were

originally proposed. We encourage other regions in the world to use these two theories to analyze the integration/cooperation process in their territory and among their states. We also agree with the critics of these theories, who state that intergovernmentalism and liberal intergovernmentalism should be considered models rather than theories of integration. Instead of being used as theories to explain processes of regional integration, they could have an actual use for determining the conditions that any regional integration model should have.

## References:

- Filippo, A. D. (1998). *Integración Regional Latinoamericana, Globalización y Comercio Sur Sur*. CEPAL. [translated: Latin American Regional Integration, Globalization and South-South Cooperation]. Retrieved from [http://repository.eclac.org/bitstream/handle/11362/31023/S9800587\\_es.pdf?sequence=1&isAllowed=y](http://repository.eclac.org/bitstream/handle/11362/31023/S9800587_es.pdf?sequence=1&isAllowed=y)
- Gomes, G., & Tavares, M. (1998). *La CEPAL y la integración económica de América*. Brasilia: CEPAL. [translated: ECLAC and the economic integration in Latin America ]. Retrieved from [http://repositorio.cepal.org/bitstream/handle/11362/12138/0NE213228\\_es.pdf?sequence=1&isAllowed=y](http://repositorio.cepal.org/bitstream/handle/11362/12138/0NE213228_es.pdf?sequence=1&isAllowed=y)
- Gragea, Á. M., & Caldentey del Pozo, P. (2015). The Crisis of the European Integration Model, and its Implications for Latin. En J. Roy, *A New Atlantic Community* (págs. 125-135). Mexico D.F: Metropolitan Autonomous University. Retrieved from: <http://www.as.miami.edu/media/college-of-arts-and-sciences/content-assets/euc/docs/books/Atlantic2015.pdf#page=190>
- Guerra-Borges, A. (2002). *Globalización e Integración Latinoamericana*. Guatemala: siglo xxi editores s.a de c.v. [translated: Globalization and Latin American Integration]. Retrieved from <https://books.google.co.kr/books?hl=es&lr=&id=oSxikU6Jxq4C&oi=fnd&pg=PA11&dq=integracion+reginoal+latinoamericana&ots=OVQh7nb>

3-

0&sig=rr98yVZYuVSblYYqOcFpBklDtD8&redir\_esc=y#v=onepage&q=integracion%20reginoal%20latinoamericana&f=false

Malamud, C. (2015). Regional Integration in Latin America: A Diagnosis of the Crisis. En J. Roy, *The European Union, the US and Latin America* (págs. 199-209). Madrid: Real Instituto Elcano. Retrieved from: <http://www.as.miami.edu/media/college-of-arts-and-sciences/content-assets/euc/docs/books/Atlantic2015.pdf#page=190>

Peña, F. (2015). Regional integration in Latin America: the strategy of 'convergence in diversity'. En J. Roy, *A New Atlantic Community*: (págs. 189-199). Saenz Peña: Universidad Nacional de Tres de Febrero. Retrieved from: <http://www.as.miami.edu/media/college-of-arts-and-sciences/content-assets/euc/docs/books/Atlantic2015.pdf#page=190>

Rosenthal, G. (1991). *Un informe crítico a 30 años de integración en América Latina*. Guatemala: CEPAL. [translated: A critical report after 30 years of integration in Latin America]. Retrieved from [http://nuso.org/media/articles/downloads/1996\\_1.pdf](http://nuso.org/media/articles/downloads/1996_1.pdf)

Ruiz, J. B. (2013). *Ejes y modelos en la etapa actual de la integración*. Santiago: Instituto de Estudios Internacionales de la Universidad de Chile . . [translated: Axes and models in the current scenario of regional economic integration in Latin America]. Retrieved from <http://www.revistaei.uchile.cl/index.php/REI/article/viewFile/27352/301>  
48

Sanahuja, J. A. (2010). *Regionalismo e integración en América Latina: balances perspectivas*. Madrid: Instituto Complutense de Estudios Internacionales.

[translated: Regionalism and integration in Latin America: balance and perspectives]. Retrieved from file:///C:/Users/USUARIO/Downloads/Dialnet-RegionalismoEIntegracionEnAmericaLatina-2872515%20(3).pdf

Cini, M. (2013). Intergovernmentalism. En M. Cini, & N. P. Borragán, *European Union Politics* (págs. 66-76). Oxford: Oxford University Press.

Hoffman, S. (1964). *The European Sisphus: Essays on Europe*. Oxford: Oxford Westview Press.

Moravcsik, A. (1998). *The Choice for Europe: Social Purpose and State Power from Messina to Maastricht*. London : UCL Press.

Moravcsik, A. (2009). *The Choice for Europe: Social Purpose and State Power from Messina to Maastricht* . Oxford: Oxford University Press.

Puetter, U. (2014). *The European Council and the Council: New Institutionalism and Institutional Change*. Oxford: Oxford University Press.

Rosamond, B. (2000). *Theories of European Integration*. Copenhagen: University of Copenhagen.

Organization of American States (OAS) official website. Retrieved from <http://www.oas.org/es/>

Latin American Integration Association (ALADI) official website. Retrieved from <http://www.aladi.org/sitioAladi/index.html>

Common Market of the South (MERCOSUR) official website. Retrieved from <http://www.mercosur.int/>

Andean Community of Nations (CAN) official website. Retrieved from <http://www.comunidadandina.org/>

Union of South American Nations (UNASUR) official website. Retrieved from <https://www.unasursg.org/>

Community of Latin American and Caribbean States (CELAC) official website. Retrieved from <http://www.sela.org/celac/>

Caribbean Community (CARICOM) official website. Retrieved from <http://www.caricom.org/>

Central American Integration System (SICA) official website. Retrieved from <https://www.sica.int/>

Bolivarian Alliance for the Peoples of Our America (ALBA) official website. Retrieved from <http://www.portalalba.org/>

Pacific Alliance (AdP) official website. Retrieved from <https://alianzapacifico.net/en/>

## 국문초록

라틴 아메리카의 지역 통합 과정은 1960년대 시작되어 세계의 다른 지역과는 다른 길을 밟았다. 라틴 아메리카에서의 전체지역의 통합과정에 대한 증거는 없다. 단지 10개의 서로 다른 블록이 만들어져 통합 과정이 소 지역 수준으로 이루어졌다.

본 연구의 목적은 이전에 연구되지 않은 관점에서 라틴 아메리카의 소 지역 통합을 분석하는 것이다. 유럽통합을 설명하는 두 가지 주요 이론인 호프만의 '정부 간주의'와 모라 비치의 '자유 정부 간주의'의 이론을 처음으로 다른 지역에 적용할 것이다. 이 두 이론의 주요 변수(국가 선호형성, 주간 교섭 및 제도적 위임)을 통해 라틴 아메리카 지역의 각 블록을 특성화하고 그 과정이 회원국 간의 실질적인 통합인지 아니면 단순한 정부 간 협력 및 정책 조정이었는지 알 수 있다.

**주요어:** 자유주의 정부 간 정책, 정부 간 협력, 국가 선호 형성, 주간 교섭, 제도적 위임, 파급 효과.

**학번:** 2016-25959