

REGIONAL INTEGRATION IN LATIN AMERICA

Comparative theories and institutions

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Introduction

Regional integration in Latin America is a long but not-so-successful story. Only by early 1990s the creation of a new regional bloc — namely Mercosur — and the re-launching of two previous attempts — *i.e.* the Andean Community of Nations and the Central American Common Market — allowed to envision a different trend. Today, the three referred blocs feature a series of divergent characteristics, among them the reached level of integration and the type of institutionalization. However, all three have something in common: none fits easily into the theories of regional integration that were developed from the European case. This paper analyzes the Latin American integration experience in light of the contemporary integration theories, in order to pinpoint some inconsistencies between theories and cases with a view to orienting further research.¹

The article proceeds along three steps. First, it analyzes the institutional development of Mercosur, the Andean Community and the Central American Common Market, contrasting their trajectories and structures both with each other and with the European Union. Second, it revises the main theories of regional integration — *i.e.*, liberal intergovernmentalism, supranational governance, and leadership supply — assessing their applicability to the cases according to their expected institutional outcomes. It subsequently presents some complementary data and alternative hypotheses that could overcome some theoretical pitfalls and enrich the current theorization on Latin American regional integration. Finally, it concludes with some remarks concerning the role of national executives over integration processes.

Institutional development in three regional blocs

The European Union is the most advanced region in the world. It has reached the common market stage and is advancing toward the economic union, while simultaneously aiming at becoming a political union. Institutionally, it has developed an intricate structure of multilevel governance, combining supranationalism with intergovernmentalism, unanimity with majority rule, and the supremacy of

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community law with the principle of subsidiarity (Hix, 1994; Sandholtz and Stone Sweet, 1998). It features a powerful Court of Justice that has been crucial in furthering integration, a Parliament whose members are directly elected by the European peoples since 1979, and an executive Commission with substantial autonomy. All three institutions are supranational, what means that they do not respond to the member countries' governments. In contrast, the European Council and the Council of the European Union are intergovernmental bodies, comprised of national executive officers. The five organs make up the top institutional structure of the EU.

As regards European governance, the competence of and relation between the national governments and the EU authorities is blurred and ambiguous. In the EU, "state executives play a major role..., and much lobbying is channeled through them, but the Commission and the European Parliament (and on occasion the European Court of Justice) are also worthy targets for subnational governments" and interest groups (Marks *et al.*, 1996: 45). While some authors have stated that "Europeanization" implies power transfer from national states to the — albeit fuzzy — European level of governance (Wallace, 1999), others claim that it may well strengthen national states (Milward, 1992). Most, however, agree that it has tended to remove domestic issues from domestic controversy and into the arena of executive control (Risse-Kappen, 1996; Moravcsik, 1998). The convenience of formally acknowledging the authority of national executives over the integration process led to the belated creation of the European Council — the European executive summit —, which was established in 1974, twenty years after the EC was founded.²

European integration has generated a large amount of scholarly research. Such production is an invaluable material when it comes to analyze integration processes elsewhere, and so have thought those who undertook the study of Latin American integration. In spite of this, the two regions have moved along quite different paths, and European-oriented theories turned out to be insufficient to account for regionalization in the Western hemisphere.

Latin American integration has evolved along three waves, but enduring results were only reached in the last one. In the last 1950s and early 1960s, the Latin American Free Trade Association (LAFTA) and the Central American Common Market (CACM) were established, but some rapid success soon turned into failure.³ At the end of the 1960s, the Andean Community (CAN) and the Caribbean Common Market (Caricom) were founded, but their fate replicated that of the first

2 While the extent to which domestic regimes impact upon international cooperation and regional integration has been sharply acknowledged (Putnam, 1988; Schmitter, 1991; Russell, 1992; Remmer, 1998; Moravcsik, 1998) — generally comparing democratic and authoritarian rule —, the differential impact of democratic subtypes has been mostly overlooked (Malamud, 2003).

3 Given that political parties and parliaments were not regarded as "sufficiently central to the political process in some Latin American countries to serve the function their counterparts played in Europe" (Haas, 1967: 338-9), technocrats were frequently encouraged to take their place as brokers within the integration process. The failure by Latin American *técnicos* to accomplish such a role led to the stagnation or reversal of most integrative endeavors until the late 1980s, when leading politicians decided to take the task on them.

wave. After the transitions to democracy took place in the 1980s, the region underwent with growing expectations the creation of Mercosur and the relaunching of both the CACM and the CAN. The next sections describe the institutional development of these three blocs.

Mercosur

Mercosur is an economic association consisting of Argentina, Brazil, Paraguay, and Uruguay. Established in 1991, it is one of the most notorious members of the third wave of integration throughout the Americas, its sister region being — as far as timing regards — the North American Free Trade Agreement (NAFTA), located at the other extreme of the continent. In ten years, Mercosur has tripled its intra-regional trade flows while simultaneously increasing its extra-regional trade flows. Besides, it has strongly increased the direct foreign investment in its member countries and has become a growing international actor both for business and foreign governments (Nofal, 1997; Bouzas, 1998).

Born as a consequence of the democratization and the removal of old hypotheses of conflict between Argentina and Brazil, Mercosur was later developed in the wake of a new, more outwardly oriented economic profile. The Argentine president Raúl Alfonsín and his Brazilian counterpart José Sarney headed the original process of rapprochement with their personal and political stamp. Afterwards, Argentina's Menem and Brazil's Collor, Franco and Cardoso continued to lead the process keeping a strong presidential hold on it.

Mercosur has changed, by 1995, what was a free-trade zone among its member countries into a customs union, with a long-term goal of becoming a common market. Its shape is different from many previous or contemporaneous experiences. As observed by Peña (1998: 2), Mercosur is

a case of open regionalism within the frame of the World Trade Organization, ... an original process of integration that does not necessarily follows a methodology like the one applied in the European experience.

According to most of the literature concerning regionalization, based mainly on the European case, the goal of creating a common market and, furthermore, an economic union, implies sooner or later the setting up of regional institutions. These are supposed to deal with the two main dilemmas of collective action, *i.e.* decision-making and dispute-settlement. To date, however, Mercosur has not built any significant institutional structure, whether supranational or not.⁴ Its decisions are instead taken through purely intergovernmental mechanisms, requiring unanimity in every case. The only decision-making organization consists of three regional bodies made up of either member states' public officials or nationally

4 Some public officials openly aim at a "pooling" of sovereignty rather than at any supranational arrangement (author's interview with then undersecretary of foreign trade Félix Peña, August 1998). However, not even this minor form of delegation has been achieved so far.

Table 1 Mercosur institutional bodies

Decisional bodies (all intergovernmental)	Consulting bodies	Administrative bodies
Common market council Common market group Trade commission	Joint parliamentary commission Economic and social advisory forum	Administrative secretariat

appointed technicians with low-level responsibilities: the Common Market Council (CMC) — comprised of the foreign and economy ministers of each member country —, the Common Market Group (CMG), and the Commission of Trade. Two consulting bodies — one of them integrated by parliamentary representatives and the other by delegates of the civil society — and a minimum Secretariat located in Montevideo complete the institutional structure (see table 1). A limited dispute settlement system provides for an *ad hoc* mechanism of arbitration, which has been called on only five times in a decade. Furthermore, neither direct effect nor any supremacy of the community law exists. These features were purposefully advanced since the foundational stages, in order to clearly distinguish between the political direction and an undesired bureaucratic direction that could threaten the project (Caputo, 1999). The political direction was supposed to be reaffirmed by an annual presidential summit. Presidential summits eventually take place twice a year along with the CMC meetings, thus becoming the real thrust behind the process.

In 2002, through the Protocol of Olivios, a permanent tribunal was finally created. It should be located in Asuncion, and shall act as an appeals court in alternative to the WTO. However, both the coming into being of the tribunal and the real capacity of Mercosur to further enforce its rulings are not encouraging. In the short run, Mercosur is more likely to recede than to become supranational in any meaningful sense of the word. Nonetheless, and paradoxical as it may seem, a pure intergovernmentalist approach to an intergovernmental region such as Mercosur cannot go too far, since social domestic actors have been absent to the process and major interstate bargaining — whether the *Treaty of Asuncion* of 1991 or the *Ouro Preto Protocol* of 1994 — have not led to either institutional pooling or delegation. The contrast between the proclaimed ambitious goals of Mercosur and its poor institutional concretions (Perales, 2001b) is not paradoxical though: it does no more than replicate a rooted Latin American tradition of lip-servicing.

The Andean Community of Nations

The Andean Pact (or Andean Group), predecessor of the Andean Community (CAN), was established in 1969 within the framework of LAFTA. Together with Caricom, it made part of the second wave of integration processes in Latin America and the Caribbean. Its goals were to improve the conditions for participation of the less developed countries encompassed by the LAFTA agreements, while simultaneously aiming at the gradual formation of a Latin American Common Market.

Five countries signed its founding treaty, the Cartagena Agreement: Bolivia, Colombia, Chile, Ecuador, and Peru. Venezuela joined the group in 1973, but Chile withdrew in 1976. The Andean Group constituted an agreement stemming from, and depending on, the Treaty of Montevideo, and would not acquire juridical autonomy until 1983, when the *Tratado de Creación del Tribunal de Justicia del Acuerdo de Cartagena* entered into force. In the 1990s, after a period of stagnation and crisis, the integration process was relaunched and its institutional structure was strengthened.

The emergence of the Andean Pact was a direct response to LAFTA's failure, and its integration scheme was more far-reaching than anything ever before realized in this field in all of the Third World (Mace, 1988). Two main features characterized the project. At the economic level, it relied on two parallel processes: inter-regional trade liberalization and regional industrial planning. At the political level, it created a decision-making structure including two main institutions, the *Commission* and the *Junta*, whose respective majority-rule voting and binding supranational authority were as ambitious as exceptional.⁵ An additional element was an extensive program of special treatment for the less developed countries in the group (*i.e.* Bolivia and Ecuador).

Although the Andean Pact performed quite satisfactorily in its early years, the enlargement to Venezuela and the withdrawal of Chile generated a succession of major crises. Given the complexity of the Andean integration scheme, those events led to the renegotiation of some important mechanisms of the process and, in the end, to the complete abandonment of the original integration schedule (Mace, 1988). Apart from the rigidity of the agreement, the failure was given to other reasons, among which the unequal distribution of costs and benefits, the politicization of integration issues, the non-compliance of the member countries with the Andean Decisions (Vargas-Hidalgo, 1979), a great political instability,⁶ and the lack of regional leadership (Mattli, 1999). While some causes were basically domestic, others were intrinsic to the integration endeavor. One of the recipes proposed to overcome the crisis was to build up regional institutions able to settle conflicts between members, and so was done. The result was the creation of the Court of Justice and the Andean Parliament in 1979.⁷ However, these institutions lacked real weight — due to, in neofunctionalist terms, the precedence of form over function.⁸

5 Within the intergovernmental Commission, responsible for all the major decisions concerning the integration process, no member country was allowed to unilaterally veto community decisions except on very important subjects. In turn the Junta, endowed with administrative, agenda-setting, and decision-implementation functions, enjoyed supranational powers that entitled it to take resolutions binding on all member countries — at least formally (Mace, 1988).

6 By the early 1970s, all founding members except Colombia were undergoing democratic breakdowns.

7 The Court entered into activity in 1983; the Parliament is still comprised of representatives of the national congresses, but plans are laid for that they be directly elected by 2002.

8 The weakness and relative irrelevance of the Court became apparent when it should be moved away from the building that hosted it because of having failed to pay the rent. Foreign representatives were surprised when they found themselves knocking the door at an empty place (Pereira, 2000).

Table 2 Andean integration system

Ruling bodies	Community institutions
Andean presidential council (intergovernmental)	Andean business advisory council
Andean council of foreign ministers (intergov.)	Andean labor advisory council
Commission of the Andean community (supran.)	Andean development corporation (CAF)
General secretariat (supranational)	Latin American reserve fund (FLAR)
Andean parliament (supranational)	Simón Bolívar Andean university
Court of justice (supranational)	Social conventions

The integration process would not see the light at the end of the tunnel until 1987, when the Quito Protocol was signed in order to make more flexible the working mechanisms of the bloc.

The renewed institutional structure of the Andean Pact was broader and deeper than that of any other region in Latin America — incidentally, as it had also been since its very origins. Nevertheless, it was not until all presidents met in 1989 that the region firmly embarked on a process of deepening and opening; and the setting of the Andean Presidential Council in 1990 was to consolidate such a bid. The Presidential Council is comprised by the presidents of the member countries, and constitutes the highest-level body of the Andean Integration System (AIS). In turn, the AIS is the series of bodies and institutions that, working in coordination, directs the process of integration and governs over its operation (see table 2).

In 1997 the Junta became the General Secretariat of the Andean Community, the executive body of the renamed bloc, while the Commission kept its role as central rule-maker. Today, the legal principle of direct effect and the preeminence of the community law makes the Andean Community the second region in the world according to the level of formal institutionalization, only behind the European Union. Its economic record, however, is far less impressive. Although a free trade zone is in force since 1993 — first between Bolivia, Colombia, Ecuador and Venezuela, with Peru being incorporated later — and a common external tariff is operative since February 1, 1995, not economic development but social turmoil, political instability and economic failure have been the mark of the region. Furthermore, a brief war between Ecuador and Peru was waged in 1995 on grounds of territorial disputes. The balance of the process could not be more ambiguous: despite the highly institutionalized organization and the commitment to establish a common market by the year 2005 at the latest, the Andean countries have not yet succeeded in creating a region of peace, stability and development. As a result, some of them have opted for negotiating complementary agreements with third countries or regions — *e.g.*, Colombia and Venezuela with Mexico, and Bolivia with Mercosur. Consequently, regional institutions have remained feeble and intra-regional interdependence got stalled (Bonilla, 2001).

The Central American Common Market

The Treaty of Managua, signed by El Salvador, Guatemala, Honduras, and Nicaragua, established the Central American Common Market (CACM) in 1960. Costa Rica joined the bloc in 1963. Not only were economic reasons at the origin of the agreement, but also utmost political causes. Among them, the perceived threat put by the Cuban revolution was highly significant (Schmitter, 1972), and it partly explains the greater support the new region received from the US respective to that enjoyed by LAFTA.

Created at the same time as LAFTA as part of the first wave of regional integration in Latin America, the CACM “went much further and... was much more responsive to ECLA’s proposals than LAFTA” (Mace, 1988: 411). By the late 1960s it was widely recognized as “the underdeveloped world’s most successful regional integration effort” (Wynia, 1970: 319). Measured by the growth of trade within their respective areas, the achievements of the CACM long exceeded those of LAFTA. However, it would not last much longer: the so-called Football War of 1969 between El Salvador and Honduras unleashed a severe blow upon the process — whose difficulties had started before the war in any case.

Initially, the CACM performed remarkably well. By 1965 the level and scope of integration approximated that of a customs union: most internal tariffs had been abolished and a common external tariff on most items had been created (Wynia, 1970; Mattli, 1999). Furthermore, a number of complementary regional treaties had been signed, and the institutional structure of the bloc was acquiring an ever-growing complexity. This progress was basically due to technical — *i.e.* non-politicized — management (Wynia, 1970), and to the low political and economic costs of integration — since it did not threaten any powerful interests, while the administration expenses were paid by foreign sources (Nye, 1968; Mattli, 1999). However, the actual fragility of the achievements became apparent as the task of holding the integrative structure together, instead of expanding it, turned out to be the principal concern of regional leaders after the boom of the first years. The result was an expansion in the scope of the tasks performed by an increasing number of regional institutions, without a concomitant increase in the authority of such institutions — that is, in the level of regional decision-making. Schmitter (1970) called this mechanism *spill-around*, to distinguish it from the expected *spill-over* with which neofunctionalists described European integration. The stagnation of the process would last two decades.

In the early 1990s, pacification and democratization led to a revival of the once-moribund CACM (Grugel, 1996; Mattli, 1999). This time, however, the US would constitute a direct threat to the region instead of a leader, hegemon, or donor, since its participation in NAFTA jeopardizes the position and markets of the CACM by privileging partnership with Mexico. To make things worse, the institutional configuration of the group is so cumbersome as to turn policy coordination and regional decision-making into a colossal feat.

As far as regional integration concerns, this is certainly the most disordered and confusing area in the continent. The process of institutional development has

Table 3 Level of country participation in Central American schemes of regional cooperation and integration, 1996

Integration scheme	Number of members	Member countries
Customs union	2	Guatemala and El Salvador
Northern triangle	3	+ Honduras
Central America-4 (common parliament)	4	+ Nicaragua
CACM	5	+ Costa Rica
Central American integration system	6	+ Panama
ALIDES (sustainable development alliance)	7	6 + Belize
CORECA (council of agrarian coop.)	8	6 + Mexico and Dominican Republic
OIRSA (agrarian health)	9	6 + Belize, Mexico and Dominican Republic

Source: CEPAL-BID 1998: 30.

been accumulative and non-centralized, and only in 1991 the Protocol of Tegucigalpa — enforced two years later — included all but a few existent organizations under the umbrella of the Central American Integration System (SICA). As late as 1996, however, the region featured eight different levels of country participation in schemes of cooperation and integration, with associations ranging from two through nine countries without solution of continuity (see table 3).

The fact that Central American institutions did not emerge as a coherent system, but were built along disparate stop-and-go processes, left as imprint a still messy and mostly inefficient web of entities (CEPAL-BID, 1998). Schmitter (1970) thought such a muddle was a feature of the whole process, not just of its institutions.

The Central American process has never... been a movement rooted in widespread satisfaction, identity of purpose or consensus on basic values. Rather it has developed from a series of crises related to uneven performance, periodic dissatisfactions and conflicting purposes (Schmitter 1970: 48).

As early as 1970, his prognosis was that economic integration in Central America would probably survive the Football War, but political integration would probably not. By the late 1980s, it was not exaggerated to affirm that he might have been too optimistic. However, only shortly thereafter, Central America would undergo a firm shift toward both democratization at the national level and the relaunching of integration at the regional level. The institutionalization of presidential meetings as of 1991 was, according to a joined report by the Economic Commission for Latin America and the *Banco Interamericano de Desarrollo* (CEPAL-BID 1998: 35), “a key factor in the renewed dynamism of the cooperation and integration processes in Central America, which has allowed for a significant improvement in regional development.” Intergovernmental bargaining (Sánchez, 2001) — which could rather be called “interpresidentialism” — has given an important contribution to the revival of Central American integration; however, it still is a languid process with much way to go before becoming what it once aspired to be.

Integration theories: expectations and realizations

Many factors were at work to account for the renaissance of regionalism, after the failed wave in the 1960s whose only successful survivor was the European Community.⁹ Among these factors, the end of the Cold War and huge economic changes — *i.e.*, globalization — ranked at the top of the list. In showing that adaptation to the new scenario was possible — and clearly preferable to either rejection or isolation (Fawcett, 1995) —, the EC was often taken as a model for other regions.

Despite the economic goals of regional integration, the entailed necessity of establishing some kind of common institutional arrangement fosters linkages other than purely economic ones. In the wake of higher levels of state-promoted economic integration, increasing flows of trade and investment are likely to manifest. Likewise, increasing flows of people and communications are able to nurture a regional awareness. Henceforth, there are four eventual outcomes that deserve explanation: origin, stalemate or reversal, relaunching, and success. Almost all regions cited above have undergone each of these circumstances, and have faced them with rather different records.

According to prevailing theories of regional integration, the first necessary factor behind a good regional performance is a “demand condition” for integration (Mattli, 1999), be it called economic interdependence (Moravcsik, 1998) or increasing transnational activism (Sandholtz and Stone Sweet, 1998). The second, also necessary factor — but allegedly, like the former, not sufficient — is a “supply condition” (Mattli, 1999), *i.e.*, either institutional arrangements or regional leadership, or both. The case I make, drawing on a case study by Perales (2001a), is that supply conditions may suffice, under certain circumstances, to account whether for origin, relaunching, and (partial or provisional) success — and, unquestionably, also for stalemate or reversal notwithstanding favorable demand conditions.

Theoretical expectations

Liberal intergovernmentalism considers economic interdependence as a necessary condition for integration (Moravcsik, 1998: 6). Hence, its working mechanism consists of the impact that increasing exchange has on the capability of single states for managing individually higher levels of complex interaction. Export dependence and intra-industry trade are thus reckoned to generate the strongest pressures for trade liberalization, which in turn is the main cause for integration.

Intergovernmentalists do not, however, provide additional reasons for the further development of integration. According to their standpoint, each decision regarding integration is seen as independent from any preceding agreement. States would face a “blank” situation whenever they engaged in negotiations for reaching an international accord, and the goal to grant new “credible commitments” is

9 And even the EC resulted strongly compromised by nation-state pressures and their effects, in the form of the Luxembourg Compromise of 1966.

not thought to build accumulative constraints for autonomous state action. To be sure, constraints derived from increasing interdependence are not denied by intergovernmentalism; rather, their core argument is that states stay in control and all key decisions are intergovernmental.

Neofunctionalism may be considered the opposite of intergovernmentalism, as it does not fully explain the starting up of an integration process but advance a hypothesis on the causes for further expansion instead. Its central mechanism, spillover, departs from either or both the extension of the area scope and the deepening of the authority level required to sustain the process once initiated (Schmitter, 1971). Increasing technical necessities are seen as demanding further intervention and regulation over wider areas, in turn generating new necessities. Unlike previous functionalism, neofunctionalism accords a role to politics: supranational bargaining and interest group lobbying influence the dynamics of integration, being crucial factors for the reproduction of the spillover logic. In short, the principle is that what fosters the process is, in due time, fostered through feedback, therefore keeping the wheel spinning. The logical corollary of this continuing movement approach is that the cessation of the expansion would jeopardize the process.

The neofunctional approach stresses the interaction between integration and institutions, rather than that between interdependence and integration (as intergovernmentalism does). However, its supporters do not deny the same basic sequence: both theoretical frameworks agree on the order of precedence, in spite of underlining different dyads according to their theoretical assumptions and heuristic goals.

Heavily drawing on neofunctionalism, supranational governance theory (Sandholtz and Stone Sweet, 1998) highlights the “inherent expansionary” nature of integration processes, sustained “by means of policy feedback” (1998: 25), and the role of supranational organization. However, it does not dismiss the power of national governments and the primacy of intergovernmental bargaining in a number of areas. The relation stressed by this theory is that between interdependence — called exchange — and institutions — the process of institutionalization included. Integration as a voluntary state policy is therefore seen as an intermediary transmission level, a sort of crossing point between the actions carried out by transnational transactors and the institutional channels that are developed in their wake and in turn regulate them. Briefly, increasing transnational transactions make the first move; the consequent demands for facilitating and regulating the transnational society gives rise to an institution-building process, and the new institutions keep the cycle going and growing.

Neoliberalism is the theoretical approach that calls into question the mentioned three-fold sequence. Stemming from the writings of Kant, it claims that domestic political regimes influence the kind of link countries develop with one another. Empirical evidence is frequently displayed in order to prove that democracy accounts for cooperation among countries that feature such regime, and even for integration (Schmitter, 1991; Sorensen, 1992; Dixon, 1994). In contrast, other studies call into question the very tenets of neoliberalism with statistical data (Remmer, 1998). What is surprising is that both assertions, despite their opposition, are

usually defended with evidence derived from the Southern Cone. Nevertheless, it is difficult to verify the neoidealist hypotheses as much as to explain the alleged causes of cooperation/integration: as intergovernmentalism, they account for the origin but not for the subsequent steps of integration.

None of the above theories suffices to explain regional integration in Latin America. Mercosur stands out as the main paradox, as the sequence of interdependence-integration-institutions simply did not take place. Worse, interdependence had been declining for some years by the time the first steps toward integration were taken, and only started to rise from then on (Hurrell, 1995; Nofal, 1997; Peña, 1998). It is also noteworthy that regional institutions came into being as mere intergovernmental forums, where national representatives were constrained to reach unanimity as the only means to take a decision. Be that as it may, existing integration theories must be revisited in order to fit Latin American experience so far.

Theoretical complications

The study of European integration endows researchers with a great deal of data sets and an apt collection of theoretical devices. On the other hand, single-case theorization has hampered the possibility of *defreezing* some variables that were taken as givens. In particular, the variables *democracy*, *type of democracy*, *level of development*, and *homogeneity of development* were hard to acknowledge and measure, since one-case-study transformed them into constants. This paper thus calls for the study of frequently overlooked factors that contribute to shape regional integration. One of the most consequential is direct executive intervention, usually conditioned by the executive format — whether presidential or parliamentary, balanced or concentrationist. Additional elements such as strong federalism, the eventual appeal to referenda (Hug and Sciarini, 2000), and the degree of social pluralism (Risse-Kappen, 1996) should also be taken into consideration. Despite these and other factors, the main inquiries in this paper remain two: first, how does direct executive intervention impact upon regional integration? Second, how does the type of executive format affect such impact?

Both questions focus on the link between domestic executives and the *degree of success*, the *level of integration*, and the *kind of institutionalization* of any given bloc. An overview is offered in table 4. Other studies have analyzed the opposite link, namely the extent to which integration processes impact upon national executives. For example, Risse-Kappen (1996) suggested that European integration has *strengthened the executive*, *isolated it from domestic pressures*, and *locked it into the regional bloc*. This discussion need not be furthered here, but it is likely to be affected by the arguments exposed in this paper.

An enlarged perspective is necessary to account for the existence of *mixed* regions, whether at the economic or political dimension. Regarding the economic dimension, a region may bring together states with different levels of development; regarding the political dimension, it may reunite countries with different types of executive format. Another significant element to be considered is the timing and sequence of the integration. Thus far, once — and whether — executive summits

Table 4 Regional blocs: comparative features

Comparative features	Regional blocs					
	European Union	NAFTA	ASEAN	Mercosur	Andean Community	CACM
Number of members	15	3	10	4	5	5
Year of foundation	1951/1957	1994	1967	1991	1969	1960
Aimed level of integration*	4-5	1 plus	1	3-4	3-4	3
Reached level of integration*	Consolidating 4	1	Near 1	Consolidating 2	Near 1, failed 2	Near 1
Member's level of development	Homogeneous (high)	Heterogeneous (mixed)	Homogeneous (low, except Singapore)	Homogeneous (medium)	Homogeneous (low)	Homogeneous (low)
Member's executive format	Parliamentary	Mixed	Mixed (including non democracies)	Presidentialist	Presidentialist	Presidentialist
Regional institutions	Encompassing, variable geometry	Limited, fixed	Limited	Limited, ad-hoc	Medium, fixed	Medium, variable geometry
Executive summits	Since 1974 (23 years after foundation)	—	Since 1976 (9 years after foundation)	1991 (since foundation)	Since 1989 (20 years after foundation)	Since 1987/91 (27/31 years after foundation)

Notes: * Level of integration; 1 free trade zone; 2 customs union; 3 common market; 4 economic union; 5 political union.

were introduced they became each association's supreme decision-making authority; but this needs not always be the case. Besides, the moment in which such an arrangement is established may mark the whole process, since its early establishment is likely to entail stronger intergovernmental procedures. In turn, as Risse-Kappen (1996: 74), drawing on Moravcsik, put it, "the more national governments are the main transmission belts between domestic societies and international institutions and the more transnational links among societies and those between them and supranational institutions are reduced, the easier it is for national executives to control and manipulate the power resources of initiative, institutions, information and ideas".

European integration was hindered in the 1960s by the intervention of a chief executive, and was menaced again by the interposition of another obstruction when a number of national referenda were called in the 1990s — intended to approve or dismiss the latest treaties oriented toward the deepening of the process. On the other side of the Atlantic, the expansion of NAFTA was blocked instead through congressional rejection, what also brought to the fore the question of the actual executive capacities to influence regional integration.

The executive connection

Mercosur is probably the region in which the influence of the chief executives is more apparent. It is the only one that established from the very beginning the presidential summit as highest decision-making body. On top of this, so-called *presidential diplomacy* — *i.e.* informal presidential intervention — has become the last resource for both adopting strategic decisions and solving hazardous crises (de Núñez, 1997; Peña, 1998; Malamud, 2003). Most striking, although Mercosur aims at becoming a common market — and it already is a customs union — it has managed and performed without developing — nor planning to develop — any communitarian institutional structure. Unlike NAFTA — which is mainly about trade and investment — and like the EU, "Mercosur... explicitly encompasses a double process of economic integration and political cooperation" (Grugel and Medeiros, 1999: 59). But, different from the EU, supranationalism seems to be drastically out of the agenda.

As to the Andean Community and whatever the appraisal regarding its performance, most authors agree that any lately success should be acknowledged to one major institutional actor: the Andean Presidential Council. Lloreda Ricaurte, who served as General Director of the Andean Secretariat, observed that "the active participation of the presidents [in the Andean Presidential Council] has been a crucial factor in the consolidation and deepening of the Andean integration process" (Lloreda Ricaurte, 1998). Likewise, Abugattas Majluf (1999: 84) pointed out that the Council "was responsible for the revitalization of the integration process as of 1989." It came as no surprise that the crisis undergone by the region between 1991 and 1994 coincided with the lapse in which the Presidential Council did not meet — basically due to the temporal suspension of Peru in the wake of Fujimori's 1992 *autogolpe*.

[From 1995] the Andean Presidential Council meets again and takes the leadership of the integration process, as was later manifested by the institutional reform of the Andean integration system, the creation of the Andean Community of Nations, and the deepening and acceleration of the whole process (Abugattas Majluf, 1999: 84).

Along the same line, da Cruz Vilaça remarked on the crucial role performed by the presidents in supporting the process and reforming the regional institutions.

after a convulsive period, between 1991 and 1994, the improvement in the atmosphere and confidence among the Andean countries, the establishment of a free trade zone, the adoption of a common external tariff, the decision to start harmonizing the macroeconomic policies, and the beginning of an active participation of the presidents in the integration process set the conditions for the reform of the Andean institutions (da Cruz Vilaça, 1999: 429-30).

As in the Central American case, democratic presidentialism seems to have provided a basis for the region to overcome some of its traditional weaknesses — although the Andean Community still remains far from a wholly successful one.

Regarding the CACM, local circumstances were decisive for its fate. Except for Costa Rica, all members have suffered from permanent instability ever. Traditional authoritarianism, together with political turmoil and civil strife, made a great deal to hinder the integrative efforts. Wynia (1970: 331) thus focuses on national policymaking in order to challenge the conventional wisdom that depicted “Central American presidents as ‘strong men’ rather than as insecure leaders *constantly* harassed by competing power contenders.” He insightfully suggests exploring “the effects of the national political roles of presidents on their implementation of regional commitments” (Wynia 1970: 331), an aspect that had been long overlooked — and, strange enough, would continue to be.

The turn of the last decade meant a watershed in Latin American integration. The birth of Mercosur in the first place, but also the relaunching of both the Andean and the Central American regional efforts, might be marking a new beginning — although it is still too early to say. The transition from old, closed regionalism to new, open regionalism was simultaneous and consequential all across Latin America and the Caribbean (Nicholls *et al.*, 2001). Many were the factors that brought about such a revival; crucial among them were the restoration — or inauguration — of democracy all across the region, the resolution of border and military conflicts, and the homogenizing constraints that the national economies ought to face in the wake of global processes. And still, economic interdependence, efficient supranational institutions, and regional paymasters was absent from the picture. As illustrated above, what accounted for the relative success of the new attempts was a political not economic variable. In short, the novelty accompanying the regional renaissance was the direct involvement of national executives. Table 5 displays the key dates of all three subregional processes, showing how their momentous transformations (or creation, as in Mercosur) took place only after the establishment of decision-making bodies made up of the national presidents.

Table 5 Latin American sub-regional institutionalization

Region	Institutionalization					
	Start of functional cooperation	Start of regional integration	Momentous transformation of the process	Foundation of regional parliament	Foundation of regional court of justice	Establishment of presidential summits
Central American Common Market	1948	1960	1991	1987	1992	1987/91
Andean Community	1966	1969	1996	1987	1983	1989
Mercosur	1985	1991	—	—	—	1991

Conclusion

Institutions matter. This claim is widely acknowledged nowadays by most of the literature whether on political theory, comparative politics, or international relations. However, to determine *what institutions matter*, *how* they effectively come to *matter*, and concerning *what outcomes*, empirical research needs to be conducted. This paper does not address detailed empirical issues though; rather, it aims at highlighting some puzzles in order to encourage further research to cope with them.

Leadership also counts. Irrespective of the approach — be it micro or macro, sociological or economic —, any explanation of socio-political phenomena would be incomplete if it disregarded the role played by charismatic or otherwise powerful individuals. Whether as decision-makers acting within institutional frameworks or as institution-makers themselves, leaders are able to define political choices that are beyond any automatic or deterministic outcome.

This paper focuses on a key intersection point between institutions and leadership: the chief executives. Three cases of integration in Latin America have been brought to bear, in order to show the role that direct presidential intervention played in either the start or the development of each process or both. However, it would be misleading to assume that chief executives are powerful enough as to make of integration whatever they please. An exemplary case stands out: the United States. Unlike the precedents illustrated above, president Clinton failed to get the so-called Fast Track from Congress along the 1990s, an instrument that would have allowed him to start negotiations with third countries in order to their entering NAFTA without further complex renegotiations. Likewise, the Danish plebiscite results in 1992 rejecting the Maastricht Treaty, against all government and party recommendations, set off an alarm for the whole process of European integration. The institutional power of both American Congress and Danish plebiscitarian instrument were stronger than the respective executive offices, and their decisions impacted on the timing and shape of integration. Differently, *concentrationist presidentialism* (Malamud, 2001) may have fostered Latin American integration without institutions by allowing *higher certainty*, along *certain areas* — usually held distant from the assembly —, that a given policy or orientation will be kept without

reversal or institutional blockades *in the medium run* — thus providing relevant actors with *direct access* to top decision-makers and securing them *rapid response*.

Ernst Haas (1967) early warned that “a process of integration spurred by the vision, the energy and force of a Bismarck, a Cavour or a Disraeli is clearly more productive of permanence than an indirect process fed by the slow fuel of economic expectations. On that type of scale, a Bismarck and a de Gaulle will always be more effective than a Monnet, a Hallstein, or an Erhard”. Although direct executive intervention could prove counterproductive at any point in the future, nothing else seems to have worked better so far to foster Latin American integration.

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Resumo/ Abstract/ Résumé/ Resumen

Integração regional na América Latina: teorias e instituições comparadas

A integração regional na América Latina tem uma longa mas não bem sucedida história. Só na década de 1990 a criação de um bloco regional (o Mercosul) e o relançamento de outros dois (a Comunidade Andina de Nações e o Mercado Comum Centro-americano) permitiram entrever uma nova tendência. Os mencionados blocos apresentam uma série de características divergentes, entre elas o nível de integração e o tipo de institucionalização. Todavia, os três têm algo em comum: nenhum se adapta com facilidade às teorias sobre integração regional desenvolvidas a partir do caso europeu. Este artigo analisa as experiências de integração latino-americanas à luz das principais teorias contemporâneas, com o objectivo de detectar os desajustes entre teorias e factos e sugerir percursos complementares de investigação. Entre as sugestões propostas destaca-se o estudo da influência dos chefes de governo sobre a integração regional.

Palavras-chave Integração regional, instituições políticas, teorias, América Latina.

Regional integration in Latin America: comparative theories and institutions

Regional integration in Latin America is a long but not-so-successful story. Only by 1990 the creation of a new regional bloc — namely Mercosur — and the relaunching of two previous attempts — the Andean Community of Nations and the Central American Common Market — allowed to envision a different trend. Today, the three referred blocs feature a series of divergent characteristics, among them the reached level of integration and the type of institutionalization. However, all three have something in common: none fits easily the theories of regional integration that were developed drawing on the European case. This paper analyzes the Latin American integration experience in light of the main contemporary integration theories, in order to pinpoint some inconsistencies between theories and cases with a view to guiding further research. Among the main findings is the increasing relevance of national executives as crucial driving force of the integration processes.

Key-words Regional integration, political institutions, theories, Latin America.

Intégration régionale en Amérique Latine: théories et institutions comparées

L'intégration régionale en Amérique Latine possède une longue histoire, mais sans succès. Il a fallu attendre les années 90 pour entrevoir une nouvelle tendance, par la création d'un bloc régional (le Mercosur) et le relancement de deux autres (la Communauté andine de nations et le Marché commun centraméricain). Ces trois blocs présentent une série de caractéristiques divergentes, telles que leur niveau d'intégration

et leur type d'institutionnalisation. Ils ont néanmoins un point commun: aucun ne s'adapte facilement aux théories sur l'intégration régionale développées à partir de l'exemple européen. Cet article analyse les expériences d'intégration latino-américaines à la lumière des principales théories contemporaines, afin de détecter les décalages entre les théories et les faits et de suggérer des parcours complémentaires de recherche. L'une des suggestions proposées est l'étude de l'influence des chefs de gouvernement sur l'intégration régionale.

Mots-clés Intégration régionale, institutions politiques, théories, Amérique Latine.

Integración regional en América Latina: teorías e instituciones comparadas

La integración regional en América Latina tiene una larga pero poco exitosa historia. Recién en la década de 1990 la creación de nuevos bloques regionales (el Mercosur) y el relanzamiento de previos intentos (la Comunidad Andina de Naciones y el Mercado Común Centroamericano) permitieron vislumbrar una nueva tendencia. Los mencionados bloques regionales presentan una serie de características divergentes, entre ellas el nivel de integración y el tipo de institucionalización. Sin embargo, todos tienen algo en común: ninguno se adapta fácilmente a las teorías sobre integración regional desarrolladas a partir del caso europeo. Este artículo analiza las experiencias de integración latinoamericanas a la luz de las principales teorías contemporáneas, con el objetivo de detectar los desajustes entre teorías y casos y sugerir rutas de investigación complementarias. Entre las propuestas se destaca el estudio del impacto de los ejecutivos nacionales sobre la integración regional.

Palabras-clave Integración regional, instituciones políticas, teorías, América Latina.