

<Master Thesis>

The logic of UNASUR:

Its Origins and Institutionalization

2011



Author: Petr Kašpar

Supervisor: Steen Fryba Christensen

Abstract:

The thesis takes a form of a single case study, where the main focus is put on South American integration. For this dynamic continent the term integration is nothing new and dates back to colonial times. Through the centuries, much effort was put into promoting “regional awareness” or even building one South American nation. Nevertheless, it was the breakdown of Second World War in 20 century, that allowed regionalism to fully develop and increasing number of new institutions were mushrooming. A few decades later, in 1980s, thanks to many circumstances, so called “second wave” of regionalism arose and new projects were again flourishing all around the globe.

Since the last century, there have been notably three regional attempts that gain some importance and are worth mentioning. The Andean Community of Nations (CAN), relatively an old organization from 1960s, managed to build probably the most complex system of institutions in a history of South American integration, but the expectations were far behind the reality. The Southern Core (MERCOSUR), an attempt representing the second wave of regionalism has achieved some economic goals but remains known primarily for its “institutional deficit”. Lastly, The Bolivarian Alliance for the Peoples of Our America (ALBA) was established in 2000s, as a straight response to the US foreign policy to offer a different approach more suitable and favorable for Latin America.

To this given integration environment, where memberships of the states have been traditionally overlapping, a new organization called the Union of South American Nations (UNASUR) was born with no less important goals than unifying South America as one nation, creating South American Parliament or establishing single common currency. Even though in last few years it has gained some of its achievements (mainly diplomatic), all above stated targets remain unrealized.

The author of the thesis found staggering especially dynamics and frequency of newly launching regional projects. The reasons of their creation might differ, depending on many factors. As commentators proclaimed, economic liberalization, democracy or the sudden change of world order could be some of the possible explanation. However, the true origins behind the creation of UNASUR are still publicly unexplored which was used by the author for further investigation.

As a theoretical background, two mainstream theories – neofunctionalism and liberal intergovernmentalism have been chosen. From this point of view, the reader should get solid knowledge of institutionalization process with the stress on cooperation among its members. Moreover, analysis of the official documents published by the organization will follow.

This master thesis should firstly provide a good overall review of South American integration and essentially clarify the origins of the organization with a look at the structure and practices done by its representatives.

CONTENT

CONTENT	4
ACRONYMS	6
INTRODUCTION	7
METHODOLOGY	9
Problem formulation	9
Purpose.....	10
Sources of data	10
Method of collecting data	12
Method of analyzing data	12
Delimitation.....	13
CLARIFICATION OF THE CONTEXT	14
Definition of the term.....	14
History and IR theories.....	14
Origins of the first and second waves	16
The overview of regionalism in the world.....	17
History of integration in South America.....	18
OTHER REGIONAL ORGANIZATIONS	23
MERCOSUR	23
Andean Community of Nations (CAN).....	26
Bolivarian Alliance for the Americas (ALBA).....	27
UNASUR	31
THEORETICAL PART	37
Neofunctionalism	38
Liberal Intergovernmentalism	39
Other theories	41

ANALYTICAL PART	43
Malamud’s reasoning.....	46
Asymmetrical interdependence.....	54
Official documents.....	60
CONCLUSION	63
APPENDIX	65
Figures.....	65
Cusco Declaration.....	66
Constitutive Treaty.....	70
BIBLIOGRAPHY	83

ACRONYMS¹

ACFTA – ACEAN - China Free Trade Agreement
ACS – The Association of Caribbean States
ALADI – The Latin American Integration Association
ALALC – The Latin American Free Trade Association
ALBA – The Bolivarian Alliance for the People of Our America
ASEAN – The Association of South East Asian Nations
AU – The African Union
BANSUR – The Bank of the South
BRICS – a grouping acronym: Brazil, Russia, India, China, South Africa
CAN – The Andean Community of Nations
CARICOM – The Caribbean Community
CCM – The Mercosur Trade Commission
CENON – The Special Commission for Consultation and Negotiations
CEPAL – The United Nations Economic Commission for Latin America and Caribbean
CMC – The Common Market Council
CSN – The South American Community of Nations
ECSC – The European Coal and Steel Community
EEC – The European Economic Community
EU – The European Union
FTAA – The Free Trade Area of the Americas
G77 – The Group of 77
GMC – The Common Market Group
GS – Secretary General
IADB – The Inter American Development Bank
IDB – The Inter American Development Bank
IIRSA – The Initiative for the Integration of the Regional Infrastructure of South America
IMF – The International Monetary Fund
IR – International Relations
MERCOSUR – The Southern Common Market
NAFTA – The North American Free Trade Agreement
NATO – The North Atlantic Treaty Organization
OAS – The Organization of American States
OPEC – The Organization of the Petroleum Exporting Countries
SADC – The South American Defence Council
SAFTA – The South American Free Trade Area
SELA – The Latin American Economic System
SM – The Mercosur Secretariat
SUCRE – The Unified System for Regional Compensation
TIFA – The Trade and Investment Framework Agreement
UN – The United Nations
UNASUR – The Union of South American Nations
USA – The United States of the America
WB – The World Bank
WWII – The Second World War

¹ These are the most commonly used acronyms; they are not necessarily based on English names.

INTRODUCTION

The association of states in a given geographic area or regional integration has been widely used all around the world. First signs of integration can be found centuries ago, while such integrating regions, as we know it today, were firstly launched after the Second World War and continued mushrooming in 1980s during so called “the second wave”. Undoubtedly, integration among states is a rather long process, where signing a treaty happens to be only the beginning of a journey. The reasons of doing so are principally political and economic ones but benefits of its outcomes are often unsure and vary depending on given circumstances.

Nevertheless, integration process does not always take the same form. Most people associate it with the European Union example, which stands as a model case all around the world and represents gradual institutionalization and so called supranational governance. However, sometimes we forget that Europe does not have a monopoly on regionalism and various tendencies towards integrating regions can be observed on almost any area of this planet – starting in East Asia through Africa to America.

South America, which is a region of my special focus in this master thesis, has been united by religion, language and to some extent by culture. At first glance, these factors can occur as perfect conditions for regional integration. Instead, South American integration can be perceived like a long, but not successful story, known for its complicated overlapping memberships. As I am going to develop later, already Simon Bolívar, at the beginning of 19 century could not resist the idea of unifying the continent. At later stage, many attempts have been carried out but without strong effects for the states and impacts on its citizens. In second half of 20 century two new organizations had emerged, namely The Andean Community and MERCOSUR.

Although these two brought significant progress towards regionalism, the evidence of the states not willing to relegate power to supranational level has been obvious. To this context, another new union of states, with the goal of unifying the whole continent, was born in 2002 and was named The Union of South American Nations (UNASUR).

Many scholars claim it is an ambitious project with rather positive prospects and outlooks and they are not afraid to compare it to the EU. In reality, the union of the states in its short history was capable of resolving serious domestic conflicts and showed the will in cooperating together. However, one could point out that this collaboration is everything, but ideal.

If any regional organization is to survive its first steps and takes on its importance, it generally needs to behave in a responsible and predictable way and establish certain mechanisms, which should function independently. Above all, there will be given profound analysis of the origins of the organization. What are the reasons of building a new organization when there has been already great number of the integration attempts in the 20 century? In fact, the organizational documents take for granted building South American Parliament or establishing common currency among other lofty objectives. However, UNASUR has so far served only as a political regional forum and efforts for further institutionalization are little.

METHODOLOGY

Problem formulation

The organization UNASUR was established as an ambitious regional union, with many sophisticated goals and objectives, however so far has served only as a political forum for primarily resolving national crisis. What are the origins of the organization and how is it institutionally driven?

In order to avoid any misunderstanding or confusion in my problem formulation, I am going to support my ideas with following comments.

First of all, it is truth that the organization UNASUR has been by many praised to be an ambitious project. Starting from the political sphere like Chavez but also scholars such as Eric Mosinger² or respected media as United Press International UPI.³ Secondly, I argue that it has presented many sophisticated goals and objectives. It is rather hard to prove it right now, but on page 60 you can find more developed study in this regard. Indeed, you will see that targets such as common currency or common South American Parliament can be considered as immodest and ambitious. Lastly, I stated my opinion that so far UNASUR has served only as a political forum for grand talk. Once again, this argument will be back up later, where I research in great detail about this issue.

In this chapter, I tent to explain the methodological questions, regarding the overall framework of this document. I will start with the subchapter *Purpose*, where I am going to clarify my objects, intentions as well as a viewpoint of entire paper how to understand and look at the problem formulation. *Sources of data* will elaborate on the types of material and literature which I am going to use with all possible advantages and disadvantages. *Method of Collecting Data* should unravel which kind of research I am going to use. And finally, *Method of analyzing the data* is a part, where I will illustrate my theoretical intentions regarding the analytical part. This chapter is significant from an academic point of view, notably when setting up basic rules concerning theoretical and analytical parts. However, it is also supposed to help a reader to simply comprehend following chapters.

² Eric Mosinger. "Integration at the Summit: Unasur and the Politics of Presidential Authority", University of CA, p.1.

³ United Press International, Ambitious UNASUR seeks to make impact without conflict, 16/6/2010

Purpose

The thesis takes a form of a single case study. The base of the paper is in particular the union in South America called UNASUR. When anybody wants to write about regionalism in South America, there are many choices. The continent is rich in diverse organizations and tendencies among the states. From media covering, well known are mainly: Andean Community, ALBA and MERCOSUR. In spite of the fact that I can imagine writing a thesis regarding all of these institutions, I have elected UNASUR. This regional attempt includes all the states on the continent (contrary to these above mentioned) and has potential to become not only economic, but also political global power. It is also the youngest project with a fast development on the continent.

However, when we will take a closer look at this union of twelve states, we would find out that the cooperation among the countries and its governments sharply differs from the one we know from Europe and other regions. As a matter of fact, regional integration itself highly depends on its structure, division of authority etc. The purpose of this thesis is to examine and analyze how this cooperation and collaboration is done among South American states and the outcome of this paper should be a profound and in depth analysis of the structure, using relevant theoretical background with the empirical data on the top of it. Above all, I want to closely examine the initial origins of the organization. The simple question “Why there should be another regional integration if there has been already a number of them” is appealing to me.

Worth mentioning, to back up my analytical part, I am going to use also empirical historical data from the integration experience of MERCOSUR, ALBA and CAN among others. I believe UNASUR has not developed from these two institutions, but rather comprises of them and cooperates with them. For this reason, data and information concerning these two unions might be useful in my further analysis.

The issue, I would also like to tackle, is relevancy and legitimacy of this paper. Indeed, regionalism, in itself, nowadays plays an important role in international relations. All organizations (or unions) in different continents, which will be introduced are recognized on global scale – some with greater respect (the EU), some with less significance (the African Union). When it comes to South America and UNASUR, I believe this topic is still recent and the organization has to show how big role it is going to play.

Sources of data

The data, I am going to use for the thesis, are to be found in different types of sources. Due to many reasons, I will use only secondary data. The inability, given by the fact that at the time of writing, I

was not in South America, where it would be possible to make a research and use primary data (interviews, self made polls, field observations or other methods). Therefore, this thesis relies only on secondary data, which are divided into three categories. However, it is necessary to be critical and for this reason, in this subchapter I am going to explore pros and cons of all used data.

Academic publications are the first category of my secondary data. To get a theoretical background, it is essential to use the right books, which come from an academic sphere. Thanks to a selective process leading, these materials should be highly reliable and valid. However, it is important to keep in mind, that different authors might have different opinions, positions or thoughts. As an example, realists are going to give us another answer for any question than idealist and vice versa. I am going to apply primary the theories found out by E. Haas and A. Moravcsik, highly respectable scholars when it comes to regional integration (each of them looking at the problem of regional integration from different angle). Substantial part of my analysis also results from A. Malamud, great specialist on Latin American integration. Besides, I will be using sources from J. Nye, L. Fawcett, L. Lidberg or S. Hoffmann among others

As the second category of sources is what I could name the official publications. In this category, we can find for instance official statements by governments, the outcomes of summits among the states or official publications by other international organizations such as the UN or the EU. Indeed, I am going to use this type of material very frequently and it would be nearly impossible to work without them. Regarding the credibility of the material, it is hard to believe the content would be faked, but there is another concern necessary to be taken into account. This type of sources indeed lacks detachment and neutrality (for their direct involvement in the case of study), which is needful for academic research. For instance, The Constitutive Treaty of UNASUR will be a part of my analytical chapter. I will be also using a huge number of official or governmental proclamations and quotations, in order to either prove or refute the given fact. Information from national governments (France Foreign Affairs Ministry) or international organizations (the UN, the EU) will be applied as well. It might seem ironic, that in this category of sources are included also diplomatic cables of US official diplomats, which have been revealed by the organization Wikileaks. It would be ashamed not to look at these cables and try to find any relevant data regarding my problem area.

And finally, the third range of sources is press. This type of source might be the most risky for me. The credibility is not to be put into question by principle, but reading and using it requires more attention. We all know how strong power media generally have and it is always important to consider, which kind of article it is– blog, news, speculation or maybe conspiracy theory. Therefore in order to avoid any errors or misunderstanding, first I am obliged to find out who wrote down that

chosen article or if the certain media does not have a political or ideological background. In this respect I will be using mainly MercoPress, South Atlantic News Agency. However, all other sources in English, Spanish and Czech will be double checked, so there shall not appear any incorrect or even false data.

Finally, I would like to pay attention to truly a new kind of source of information – social media. I have tried to take into account also this new phenomenon and I am going to use official web pages of UNASUR on FaceBook or Tweeter. In addition, some of my information and data will come from Google Videos or Youtube, where many business and political conferences (among other activities) have been uploaded.

Method of Collecting Data

There are two different methods of collecting data: qualitative and quantitative. The theoretical part is based on certain ideas and concepts, so qualitative data will be used. Further to that, I am also going to use quantitative data, such as economical indicators, statistical numbers concerning intra-trade etc. On conclusion, both – qualitative and quantitative research – will be applied.

Method of analyzing the data

In this chart below, I will try to verbally explain my theoretical design of the thesis. At beginning it is necessary to come back and clarify my precondition. In the problem formulation, I explicitly stress the fact that to the present the organization has been functioning mainly as a political forum for resolving democratic domestic crisis. This argument can be proved on page 50, where I speak about this issue. It might appear, while saying this that since the beginning I tend to argue for intergovernmental structure of UNASUR. However, the official documents and protagonists claim and present the future of the union as supranational governance, with South American Parliament from political point of view, or common currency from economic view. For this reason, I take both theories – neofunctionalism and liberal intergovernmentalism as key theories which will set the boundaries of my theoretical framework. In addition, I am going to present two new alternative theories, which I consider relevant for my case study (neotransactionalism, neoidealism).

On the other hand, it is essential to point out, that none of these theories is capable of fully explaining my problem area and therefore, in consequent analysis I am going to use other instruments and tools. Firstly, to set forth the origins of the integration, I will apply Malamud's four-fold typology, which partly comes from liberal intergovernmentalism. Secondly, to illuminate the cooperation among the member states with focus to potential institutionalization, I will be analyzing different states and their approaches towards UNASUR. Lastly, I will take apart the official documents

such as the Constitutive Treaty or Cusco Declaration, where some of the answers to my questions may be placed.

From ideological point of view, my aim is not to prove whether any of my selected theories is suitable on South American integration or not, but I rather use the essential parts of it for my investigation.

Delimitation

In order to prevent the thesis from getting too widespread, it seems to be necessary to delimitate in time and geography within the boundaries of the subject.

Firstly, to avoid any confusion, I would like to elaborate on the terms South America/Latin America. As my problem area comprises only South America integration, I am going to use only this term and I will also tend to refrain the discussion from the topic of Central American integration. However, in some cases, it might be necessary to come up with description of Central America integration. As an example, I would name organization ALBA, which is directly connected to Central American states. To put it differently, only once I consider Central American (Latin) integration somehow important for my investigation, I am going to apply it.

When speaking of time boundaries it should not be a big issue. As we all know, the regionalist movements first started after the WWII and especially in 1960s (first wave) and developed in 1990s (second wave). Certainly, in my case more significant will be so called second wave of regionalism and the time since. UNASUR as an organization is very young so I will cover recent history as well. From analytical point of view, I have decided to use empirical data of MERCOSUR, CAN and ALBA as well. I do consider these three integration attempts as relevant when speaking of UNASUR.

Finally, my last annotation is referring to the EU. In the thesis, I do not aspire to anyhow assess or judge European integration with connection to South America. My approach towards the European integration is agnostic; I do not argue European model is the one which other regions should follow or the other way around. My occasional referring to the EU is simply caused by the fact that the EU stands as an excellent model of one type of integration. However, as above mentioned, the thesis is a case study focused on South American integration with no intentions to judge other continents or regions.

CLARIFICATION OF THE CONTEXT

Definition of the term

So far I have been speaking about regional integration, without actually explaining what it is. Firstly I assume it is important to go back and answer the foremost question: What would be the most suitable definition of regional integration?

As it occurs very often with social science discipline, it does not seem to be easy to define the term regional integration. Special place will be given to this topic in theoretical part, however at this point I feel necessary to briefly introduce it. Well respected American Heritage Dictionary of the English Language describes it as: “A policy, whereby the interests of a nation in world affairs are defined in terms of particular countries or regions”. Albeit it is quiet fair and understandable statement, we will need more solid and proper formulation. In parts of the world, where regional institutionalization is not developed, the phrase “regional awareness” or “make the best of their regional environment” are probably still valid. However, in the light of deeper institutionalism, this terminology is considered as vague or loose. Joseph Nye, influential social scientist of 20 century, came up with probably the most accurate definition saying that regionalism represents “limited number of states together by a geographical relationship and by a degree of mutual interdependence”⁴ and this phrase is nowadays generally accepted, especially with the rise of modern institutions.

To secure my interpretation, you might mention that I sometimes replace the term “regional integration” to “regionalism”. Regionalism is co-operative behavior (cooperation) among countries geographically close to each other. It refers to an intensifying economic process of co-operation and is mostly discussed in the context of trade flow. It also involves deepening of regional thinking and behavior. On the other hand, integration (or regional integration) can be seen as the highest level of regionalization. It comprises not only the certain cooperation, but already aligns particular policies or strategies common for the region towards third party. Due to the fact that my special focus is on structure matters, I shall be using proper term regional integration when required.

History and IR theories

Probably the first official reference to regionalism was made in the preliminary version of the UN Charter (the article 33 of the Chapter VI of the UN Charter) in 1944 where it stands: “the existence of regional bodies for dealing with peace and security matters should not be precluded” and went further underlying the role of regional buddies as “agencies of the first resort in dealing with disputes

⁴ Joseph S. Nye. “Peace in Parts: Integration and Conflict in Regional Organization” in Boston: Little, Brown and Company Boston, p.7

among their own members”⁵. When looking behind this date, it is fairly hard to find any examples, perhaps only Inter-American system might be considered as a first glimmer of regionalism. Moreover what did emerge was a number of international private and public associations, holding regularly meetings such as The International Law Association or The General Postal Union.

In the interwar period, idealism as a kind of “utopian model” had dominated. After WWII, it was replaced by realists (power-politics model) who saw international organization no more than any interstate institutions. So for them, within the international anarchy, it did not really matter whether the institution was global or regional, everything was considered as a struggle for power. The assumptions for regional integration were not very friendly. For realists, state, respectively national interest was seen as a driving force in IR (with national security as the main aim of every state), generally skeptical to any institution above states, capable of regulating their interactions. And the fact is that the beginning of the Cold War gave them the truth. At that time, agreements, symbolizing the “struggle for power” emerged: NATO, Warsaw Pact, as well as The Rio Pact. While the time went on, it was more and more clear that realism cannot properly explain especially the success in integration in Western Europe – and a new theory, which was precisely portraying the “spillover effect” in Europe – neofunctionalism – was found. Whereas the period of 1960s and 1970s is known for its decline of regionalism and new types of issues on global scale had appeared. For instance the struggle of poor South against rich North generated in a broader so called Southern Coalition. At the time, regionalism was understood as an instrument in which the South should work together and “fight” for its better living conditions. This led to a creation of G77 and the discourse was more focused on underdeveloped South with connection to the dependency theory. However, even the establishment of OPEC in early 1970s failed to unite developing countries behind a common goal and so this time is mostly known as crisis for regionalism.

Sudden breakdown of the Soviet Union and a radical transformation of Eastern Europe or even before the development in Western Union (Single European Act in 1986) brought new ambitious and forms of regionalism and that is how so called second wave of regionalism began.

Indeed mid-80s are marked as a return to regionalism. Some regard it to the characteristics of post-Cold War international orders, others are more skeptical and they question it. But no matter what, without doubt we have seen numerous organizations either relaunching or building up new projects. Firstly, already developed regions went further in their institutionalization – European Community, ASEAN or CAN. Other states (especially newly freed Eastern Europe) were searching for already existing projects and their participation. MERCOSUR or Visegrad Pact were newly launched projects.

⁵ The UN, Charter of The United Nations, 1945

Origins of the first and second waves

I shall also elaborate on a topic of its origins in order to prepare firm background for my analytical part. As it happened, the first wave was born in 1930s and 1940s. This reckless time, full of upheavals brought two competing spheres where both of them were searching for influence. In other words Cold War context was substantially important for regionalism, nevertheless, the significance of global context and the sense of regions themselves rose rapidly. As Stanley Hoffman defined it: "one reality of post-war world politics was the division of a huge and heterogeneous international system into subsystem in which patterns of co-operation and ways of controlling conflicts are either more intense or less elusive than these in the global system"⁶. However Cold War order did not affect only successful Europe, but practically the whole world. Both axis were trying to keep the influence on their side. For instance in Latin America, the OAS was functioning as a protection against a spillover of communism.

When it comes to second wave, L. Fawcett claims⁷, there are few probable assumptions or factors, behind this new regional wave. As it has been already mentioned, the end of the Cold War (1) is the most notable fact. Suddenly, the world became fragmented, instead of bi-polar. Barry Buzan at that time expressed: "regional arrangements can be expected to assume greater importance"⁸ and even Gorbachev noted the idea of "common European home" with a vision where Russia would be a part of Europe⁹. For sure, the UN enjoys higher profit than during the Cold War and the fact, that countries all over the planet are not anymore connected to the axis Washington D.C – Moscow gave them much greater independence and challenge to solve their security and defense issues through regionalism, rather than with the help of two strong powers. Economic changes (2) is another aspect that could influence the second wave of regionalism. European Community, with creating a single market in 1992, was taken as an example on the pattern of economic integration and organizations such as ASEAN or MERCOSUR were about to copy the idea of common market. Moreover even the countries promoting for long time multilateralism (the USA or Canada) changed their strategy and created regional organization NAFTA. Democratization (3) in itself is a topic which deserves much more attention than I can provide here. Eastern Europe is an excellent example, how political liberalization helped to produce friendlier environment for regional integration. Warsaw Pact, dealing with an unequal co-operation among the states did not function and instead, the region

⁶ Louise Fawcett. "Regionalism in Historical Perspective." in *Regionalism in World Politics: Regional Organization and International Order*, Louise L'Estrange Fawcett, Hurrell Fawcett, Andrew Hurrell (eds.) Oxford, p. 12.

⁷ Fawcett. *Ibid.*, p.16.

⁸ Barry Buzan. "People, State and Fear." London: Harvester Wheatsheaf, p. 208

⁹ M.S. Gorbachev. "Perestroika: New thinking of our country and the World." London: Collins, 194-5

joined the Western type of regionalism. On the other hand, democracy is not necessary condition for regionalism. South-East Asia or the Middle East did not (do not) need a western style of democracy and still to a certain degree apply regionalism. However, it is generally accepted, that economic and political changes promote regionalism. Fawcett, with the notice to Samuel Huntington says: “It remains difficult to refuse the argument that regionalism has so far enjoyed the greatest success among liberal, like-minded states”¹⁰. Coming back to South America, internal political liberalization had great impact on creation of MERCOSUR with collapse of dictatorship in Brazil (1985) and Argentina (1983). On the other hand, democracy, as we know it in Western world produced also negative aspects, which might be instability or the danger of far right nationalistic politics. Last factor of the second wave of regionalism, but also general characteristics of latest decades is the end of the Third Worldism (4). Generally, so called third world is not one entity and the attempts to promote the idea of “collective solidarity” for the South showed to be wrong. Projects as G77 or OPEC were insufficient and states understood that better way is creation of southern coalition (regional or sub-regional level) with like-minded members.

At the end, I would like to add a few more comments and observations. In last subchapter, regarding the history of regionalism, I took rather optimistic approach. When speaking of successful European Union, I do consider the progress made in last two decades as huge and relatively fast. Nevertheless, I am aware of the main crisis which the EU has gone through, starting with the inability to stop the war in Yugoslavia up to the monetary and fiscal crisis within the euro zone. Other organizations mentioning before, such as particularly MERCOSUR went through deep crisis too, where nobody knew wheatear it “will survive” or not. Fawcett, optimistically arguing in her book for better viability of the UN after the crash of the Cold War¹¹ could not foresee how functionless the UN will seem these days. The Security Council of the UN is not able to react efficiently and quickly to reorganization of so called world order. Countries like India or Brazil have been claiming their right to be a part of it. It is worth mentioning, how the Cold War served to spread regionalism. As I declared above, the Cold War was indeed the central trigger during the first wave, but as Fawcett argues, the end of divided world favoured further regionalization as well. Therefore, we could conclude that the Cold War was (for expansion of regionalism) positive in both ways – in its creation and its downfall.

The overview of regionalism in the world

Before we take a closer look at South America, let me briefly explore other regions on the planet.

Apart from the EU as the model role of integration, there are a few more processes worth

¹⁰ Fawcett, op. cit., p.28.

¹¹ Fawcett.Ibid.,p.25.

mentioning. Africa has been flirting with the idea of regional integration for over three decades. Nevertheless, it was frustration that globalization and neoliberal policy had not brought much profit to either the whole continent or individual country which caused new serious of regional attempts, in order to tackle growing poverty, spread out diseases (AIDS, malaria) and other negative aspects. In legacy of former Ghana's leader Kwame Nkruman, the influential advocate of Pan-Africanism, in 2001 the creation of the African Union (the AU) was re-endorsed. Another example might be the League of Arab States (founded in 1945 but officially working from 2005) which has currently twenty two members and represents Pan-Arabism not only in North Africa, but also Southwest Asia. To judge, how successful these organizations are, we would need entire analysis. Yet, few positive steps in economic terms (e.g. lower tariffs in Arab League) and political once (e.g. possible suspension of membership in case of unconstitutional change of power in the AU) have been made.

In East Asia, since 1960s the fastest growing region in the world, the economic integration has been known for a long time as a multi – tier hierarchical “flying geese” model, where the spread of the industrialization from the developed countries to the less developed helped them through their economic integration. The Association of Southeast Asian Nations (ASEAN) has been considered more as a talk shop. Even though, a major step forward was done in 2010 with signature of ASEAN-China Free Trade Agreement (ACFTA), which should create the largest free-trade zone in the world. However, regardless the recent progress, incapability of three big global players – Japan, South Korea and China with the rest of region to cooperate more closely is still seen as a failure.

In North America, the USA – great protagonist of multilateralism - had also turned into regionalism and signed up in 1994 The North American Free Trade Agreement (NAFTA) together with Canada and Mexico.

History of integration in South America

Obviously, South American region needs to be explored more deeply. This subchapter is written to give a reader overall perspective of historical paths of regionalism in South America, starting in colonial times, up to recent development with a few remarks at the end.

In a previous subchapter it was explicitly said, that regionalism dates back to the 1940s, when regionalism had been so called institutionalized. However, I am keen to start my exploration before that time, with a view to show the roots and utter initial attempts.

The first act of regionalism on the continent was probably Viceroyalty of New Spain (from California to the Philippines) and Viceroyalty of Peru (whole LA except Brazil). Of course, it was not unification as we know it these days, nevertheless the colonies were moreless politically stable, as for instance

Viceroyalty of Brazil would never be taken apart. Indeed, the issue of frontiers and borders was a complex one through the history. Three centuries of isolation created a feeling of belonging to a certain territory ("localism"), but even the prohibition of trade did not manage to stop smuggling and trafficking among the colonies, building up illegal trade routes (this might be considered as an early integration from below). Yet, as it usually happens, intellectuals and a certain elite class was thinking visionary, dreaming of liberation as well as unification of the regions. Among others, Juan Egaña or Francisco de Miranda are worth mentioning, latter calling Hispanic America a "nation" and suggesting to form a one independent state¹². Though it was Simón Bolívar, who pronounced a plan of "glorious idea to think of consolidating the New World into a single nation", however rationally added: "remote climates, different situations, opposed interests and unequal character divide America"¹³. He eventually managed to unite the territories called Grand Colombia in 1819, including Venezuela, Panama, Colombia and Ecuador but his idea of "one nation" proved, to be too idealistic and unreal.

The wars of independence resulted in the same administrative divisions as during the colonial times with the same problems of nationalism and localism. The common sign among the counties was a clash in a population between the liberals and conservatives. Former, encouraging free trade and secularization of society, latter being more protectionist, emphasizing the role of the Catholic Church. In the middle of nineteenth century many congresses had been held and declaration had been signed, but never got enforced and the progress towards regionalism remained rather marginal. As example, Congresses of Latin America Plenipotentiaries, Congresses of Lima, or Juridical Congress in Montevideo and Lima, dealing with extraditions or abolition of slavery.

The turn of the nineteen and twentieth century is marked as a convert from Hispano Americanism to Pan Americanism. In 1882, the US invited all Latin American states to congress, negotiating mainly economic relations. However, it started with the invasion of the Republic of Florida (under the president Monroe), when the US was from previous attempts seen as an aggressor, who could possibly establish military domination over the continent. In 1889-1890, during the First International American Conference, Latin America demonstrates successful negotiation of collective diplomacy, preventing the US from imposing a custom union. Other time, during the invasion of Cuba by the US in 1898, Latin America truly failed to organize a common reaction. Nine additional conferences followed after the first one, notably important was the ninth in Bogota, characterized by an approval of the Charter of the Organization of Americas States (OAS). Founded in 1948, for four decades it has functioned as an organization of hemispheric collective security. Nevertheless, many critics have

¹²Olivier Babéne. "The Politics of Regional Integration in Latin America." New York: Palgrave Macmillan, p. 12.

¹³ Simon Bolívar, "Letter to Jamaica".

been raised it was working only as an instrument to combat communism in the Americas and to promote US interest (legitimate US intervention in the Dominican Republic leading to the authoritarian Balaguer regime). Though, after the end of Cold War and democratization of Latin America, the OAS adopted the Inter-American Democratic Clause, drafted to defend democratic governance rather than promoting US dominance. During its existence, it was dealing with many resolutions of antidemocratic domestic conflicts, such as Haiti 1991, Peru 1992, Guatemala 1993 or Paraguay in 1996 only in 1990s.

Coming back to 1940s, after the WWII, the regional movements came into the blossom. The OAS was put in place, with two pillars: political one – The OAS and security pillar – the Rio Pact. The UN was established in San Francisco Conference in 1945, where twenty Latin American states were presented (successfully collectively intervening for Argentinean seat in the UN against the Soviet Union). The year 1948 gave birth to the UN Economic Commission for Latin America and the Caribbean (CEPAL), with the aim of encouraging economic cooperation among the members and became influential think-tank. When it comes to economic model, Latin America was about to adopt “the Prebisch-Singer thesis”, arguing that exporting only commodities will be in a long run unsustainable, due to the higher value of manufactured goods. R. Prebisch, well known Keynesian economist who early formed the basis of dependency theory, was suggesting unification of markets and stimulus to industrialization process. On this basis, “the CEPAL doctrine” was created in 1955, saying that Latin America will be better off with industrialization, based on import substitutions and protectionism¹⁴.

Speaking more generally, there were external and internal aspects, affecting the regional movements. In the 1950s, new generation of politicians came to power, with more optimistic view towards integration (A Frondizi in Argentina, J. Kubitschek in Brazil or A. Camargo in Columbia). On the other hand, external factors, such as the new regional progress in Europe or hostility towards the US were influencing, too. Truly the USA was negatively conceived thanks to their support of dictators around Latin America. In this sense, in 1959 they together established Inter American Development Bank (IADB). One year later, in 1960 Latin American Free Trade Association (ALALC) was created with ambitious schedule to remove trade barriers. However, only ten percent of it came into force and the plan had to be rescheduled nine years later. The same year, 1969 six less developed Andean countries (Ecuador, Columbia, Bolivia, Chile, Peru and separately Venezuela in 1973), unsatisfied with trade liberalization and its profit only for rich states such as Brazil, created The Andean Group (GRAN, later known as CAN) signing The Andean Pact.

¹⁴ Dabéne. op. cit., p.17.

Regardless all the attempts, not much went “according to the plan” and CEPAL’s general secretary accurately named the trouble: “The problem of Latin America is that the proper strategy to melt the different nationalisms into a single Latin American nationalism has not been found”¹⁵. Also Prebisch with Singer criticized the situation, expressing the concern of failure of implementing industrial specializations and economy of scale around the continent.

It was again neglecting position of the US, that convinced Latin America to act and in 1969 the Conference of Latin American Foreign Ministers approved Consensus of Vina del Mar. One participant put it: “Never before had the foreign ministers of the entire continent met to discuss the problems of Latin America in its relations with the United States – without the latter being present and to agree on a common position”¹⁶. This led to Special Commission for Consultation and Negotiation (CECON) that was however unable to increase the US tariffs. In 1975 Latin American Integration Association (ALADI) replaced former ALALC and found a “permanent regional body” called Latin American Economic System (SELA), in order to promote intra-regional cooperation. It included twenty six members with the headquarters in Caracas but it proved to be more modest organization, than the formal one.

The multiple collapses of dictatorship and return to democracy in 1980s came with new leaders, eager to also institutionalize collaboration. At that time, two positively important initiatives occurred. The first one was connected to possible debt crisis, and so in order to show the potentially devastating social and economic consequences of debtors, Mexico, Argentina, Brazil and Columbia met at Conference in Cartagena where heavily indebted countries accepted re-payment under the conditions of no social and political costs. Second initiative wanted to solve the Central American Conflict when Mexico, Columbia, Venezuela and Panama (four more states joined the club two years later in 1985) gathered in the Island of Cantadora and wrote an act for peace and cooperation, which got worldwide support except the actual Central America. Year later, in 1986, ministers of Foreign Affairs of these eight countries met in Rio de Janeiro and found The Rio Group. The motto of the organization was: “emphasis on the existence of the community of interests and values between Latin Americans”¹⁷.

In 1990s, new institutions MERCOSUR (Argentina, Brazil, Uruguay and Paraguay) and G3 (Mexico, Venezuela and Columbia) were formed and in 1997 the Andeans reactivated their international process. Meanwhile, big event happened in Miami Summit of Americas, launching the idea of Free

¹⁵ Dabéne. *Ibid.*, p.19.

¹⁶ Dabéne. *Ibid.*, p.19.

¹⁷ Dabéne. *Ibid.*, p.21.

Trade Area of the Americas, which should have come into force in 2005, however got stuck in 2003 due to the disapproving approach from Latin America. In this regard, ALBA was created with the precise aim: to break down FTAA and offer different regional approach, based on other values. All these initiatives in 1990s have to some extent common sign of so called Washington Consensus (indeed, except ALBA). The term Washington Consensus refers to market friendly policies, implemented in both advanced and developing countries often advised by the IMF and the WB in 1980s. Therefore these activities are not politically and economically neutral as used to be before. They promote neoliberalism and democracy. This was reflected in industrial policies, no longer promoting import-substitution strategy, but rather “open regionalism” with “a tentative harmonization of fiscal policies and an effort to put in place a regional system of statistics”¹⁸.

¹⁸ Dabéne. *Ibid.*, p.23.

OTHER REGIONAL ORGANIZATIONS

To get a precise, updated and overall picture of regional integration in South America for last decades, I assume it is necessary to present you these three organizations more closely. This empirical data will be further use in analytical chapter to analyze UNASUR.

MERCOSUR and CAN geographically form almost the whole UNASUR and collaborate with it. CAN represents the old institution, built in 1960s, it comprises of developed structure and in recent decade it has been remarkable for its disagreements among the member states. MERCOSUR arose in 1980s. It survived through several crises and achieved some economic accomplishment. On the other hand, ALBA is relatively a new club, including only two states from South America (Bolivia and Venezuela) and created as a straight response to the US foreign policy.

Special focus will be paid to the subchapter *Institutional structure*. Subchapter *Historical Context* should give a reader decent knowledge of basic facts and history of the organizations. On the other side, parts of it may seem superficial. When explaining reasons or aims of particular organization, my purpose here is not to developed firm analysis, but present generally acceptable facts by most scholars.

MERCOSUR

Historical Context

It all started in 1985 when Argentina and Brazil met in a strategic spot Foz de Iguazu, right on the border with Argentina, Paraguay and Brazil. Over there, two major blocks in the region Argentina and Brazil signed up an agreement The Declaration of Foz de Iguazú, which was the first step for a creation of MERCOSUR, following in six years.

In 1991, four founding members – Argentina, Brazil, Paraguay and Uruguay - endorsed The Treaty of Asuncion, legal document that forms basis of the organization. Since these countries were neither involved in world wars nor bound to bipolar Cold War system, the integration process has been quite different from the ones like in Europe. In 1990s during the second global wave of regionalism, the region was more looking for an instrument, how to overcome backwardness. Also the neglecting approach from the USA (followed by frustration that the greatest power in the world denies the

continent as a strategic partner for cooperation, plus US involvement on conflicts in Asia and Europe, played a role) caused anger and activity towards the integration.¹⁹

Nowadays, the group includes Bolivia, Chile, Columbia, Ecuador and Peru as associated members, Mexico as an observer and Egypt and Israel as free trade partners. Venezuela is about to become full member, only needs an approval of the Paraguayan congress²⁰.

Reasons, why MERCOSUR had been created are different, however most of the literature agrees on three pillars: democratic stability, security and infrastructure development. Although we should never overlook security aspects, it certainly was not the driving force as used to be in Europe. More likely, it was the fear of losing importance as an emerging force on the globe. As Guedes de Oliveira argues, the main reason was a view of the region as a solid partner in an international system, and not only as an extension of the USA. Adding: "Its main drive was and still is the fear to be left behind in economic development and to become unimportant to international economy due to the negative consequences of the debt crisis and globalization"²¹. This argument is also backed up by the fact, that the counties have previously undergone dictatorships and have had serious issues with poverty, corruptions and economic development. "The aims of MERCOSUR are to deal with regional economic development in a way that in the end the region will become more relevant and integrated into global economy"²².

Very popular among scholars is the debate about supranational deficit within the institution. The truth is that when "creating" MERCOSUR, politicians involved in the process had two possibilities (when we take into account two mainstream theories). Either follow EU style of integration, created a supranational body, relying on spillover effect or choose more pragmatic way, intergovernmental type, simply government negotiations, which was more corresponding with the level of development of the region. Indeed they had picked the latter, in a hope that this will be sufficient to function. Moreover, MERCOSUR seems to be a strategic long-term project, which survived only in Brazil already six Presidents and several crises. Of course, not every politician within the group is so keen on integrating, but it appears that at least economical integration is taken for granted. On the other side, much critic has been heard from two smaller states – Uruguay and Paraguay – critiquing their minor role alongside Brazil and Argentina. Unstable environment and its openness towards potential

¹⁹ Marcos Guedes de Oliveira. "Mercosur: Political Development and Comparative Issues with the European Union." in Jean Monnet/Robert Schuman Paper Series, p.2.

²⁰ MercoPress. "Mujica: we need Venezuela in Mercosur to help balance the group." 1/4/2011

²¹ De Oliveira. op. cit., p.3.

²² De Oliveira. Ibid., p.8.

members might be considered as a negative aspect. It was Chile, almost joining the club and recently Venezuela is just about to become a full member. The consequences of such an act are still unknown.

Institutional structure

Speaking of decision making process, as it was said above, the institutionalization so far has not taken place and the organization is rather intergovernmental type. The states hold the power in their hands and do not want to compromise national macroeconomic stability.

The highest level of institution is *Common Market Council* (CMC), which should be responsible for overseeing the strategic objectives. It comprised of Foreign Affairs and Economy Ministers and Heads of states, which meet up twice a year. Second highest organization is *Common Market Group* (GMC), which is actually executive in nature and manages the functioning of the integration process. Under the mandate of CMC, it has many activities, such as negotiations with third countries. It consists of four incumbent members and four alternates representatives of Foreign Affairs and Economy Ministers plus their respective of Central Banks. This body also comprises several Working Subgroups, Negotiating Forums, Specialized Assemblies, High Level Groups and Committees. Next institution is *Mercosur Trade Commission* (CCM), which organizes consultations and dispute resolution proceeding. Further, what I am going to mention is *Mercosur Secretariat* (SM), with its headquarters in Montevideo, providing logistical support, archiving decisions made by different organizations etc. Up to 2003, it used to be *Administrative Secretary*, since then *Technical Advisory Sector* was created. There are other different bodies, such as *Economic and Social Consultative Forum*, *Joint Parliamentary Commission*, *Meeting of Ministers*, *Permanent Review Court* etc. The aim of showing all this, is to demonstrate, how strong influence states have, without having independent employees. There is also lack of independent technical body, preparing negotiations or presenting technical proposals (except the limited activities of Secretary).

When it comes to MERCOSUR norms, there has been a great difficulty in implementing them. Although there are only three types of norms: decisions of the CMC, resolutions of the GMC and directives of the CCM, they all require different characteristic due to special issues. To internalize the same norm in various countries, they need different approval, let it be an administrative act or an approval of the law etc. Once, it is approved, it goes immediately into force, however, to have a regional reach, all four members are obliged to approve it. The fact, that according to the statistic,

only over 45% of proved MERCOSUR regulations came into force²³, shows, how dysfunctional the process is.

Last matter I would like to tackle is Resolution of Disputes in MERCOSUR. It was found in Brasilia Protocol, when for the first time in South America a neutral arbitration mechanism for conflict resolution was created. Before, the procedure had contemplated only diplomatic negotiations. There are three stages, how to resolve dispute. The first is direct negotiations between member states, the second is intervention by the GMC and in the even this is unsuccessful as well, there are submissions to the CMC. Nevertheless, it is all in a form of only non-binding recommendations and as you can already know, GMC and CMC consist of representatives of the member states so the resolution of dispute is still based on diplomacy.

Andean Community of Nations (CAN)

Historical context

Andean Community of Nations (former Andean Pact), is relatively old organization, where its roots go back to 1960s. In 1969 Cartagena Agreement, considered as the basis of the organization, had been signed by five members: Bolivia, Chile, Colombia, Ecuador and Peru. However, Chile left the group in 1976 and Venezuela joined the club as a full member in 1973 but again left in 2006. The main aim was balanced economic development among the Andean countries and promotion of economic growth by creating a large market and it is truth that first objectives were mainly economic, focusing on trade and market issues. Andean countries felt left behind on the continent, hardly competing with Brazil or Argentina – incomparably richer states – and thought the regional cooperation may be the right way to overcome economic backwardness. Nevertheless, throughout 1970s and 1980s development was very slow and it gained back its importance in 1990s. At the time, new common rules were adopted, concerning various sectors such as agriculture, intellectual property or investments with establishing free trade area. All this led to the intra-CAN trade growth with its positive effect.

Moreover, in 1997 (Trujillo Protocol) the Andean Pact has been changed to Andean Community with creating Andean Integration System – new set of institutions. Another important fact is that since then the organization began to deal with non-economic issues such as introduction of the Andean Passport (free movement of citizens) or adoption of decision to elect the members of the Andean Parliament directly. Though, the 2000s are marked with mixed achievements. The positive

²³ Celina Pena and Ricardo Rozemberg. "Mercosur: A Different Approach to Institutional Development." in Canadian Foundation for the Americas, p. 7.

accomplishment was surely the Lima Declaration on Democracy, Development and Social Cohesion from 2005, introducing common chemical precursors or new strategy for sustainable integrated alternative development. Contrary to that, the creation of two wings within the organization with diverse perspectives is notable. The ones stress the importance of social and political issues while the others would like to see it dealing only with economic and trade matters. In connection to this, Venezuela (accounting for a third of the block's economic strength) left the club in 2006, being dissatisfied with Peru and Columbia, countries which were negotiating free trade agreements with the USA. By this act, CAN fell into a big crisis and it was not sure, whether Bolivia and Ecuador will follow (countries rather leftist in comparison to the governments in Peru and Columbia at that time). But finally, they decided –unlike Venezuela – to remain in CAN “in order to change it from within and reestablish Andean integration on new values, with protection to environment, social and cultural rights”.²⁴

Institutional structure

When we look at the institutions drawn in Andean Integration System, we can find a quiet sophisticated set of institutions. Political guidance is given by Andean Presidential Council, consisting of Head of the States who meet once or twice a year. Andean General Secretariat proposes legislation. This legislation is adopted by Andean Council of Ministers whose membership depends on the subject. The Andean Parliament (!) has only consultative role as well as several committees. Finally, Andean Court of Justice has monitoring function. CAN legislation is directly applicable and prevails over national law. Since 1969, over 600 decisions have been adopted.²⁵ Even though these institutions might resemble the EU style, in reality the organization is very intergovernmental and all important decisions are made by the member's governments. Andean Parliament does not possess any power and the case of CAN institutionalization serves as a role model of an institution, where even complex set of organs does not directly mean successful regional organization.

Bolivarian Alliance for the Americas (ALBA)

Historical context

Bolivarian Alliance for the Americas (ALBA) was a straight reaction on expected creation of FTAA, as an extension of NAFTA down to Latin America (in Spanish, *alba* means dawn, as a symbol for rebirth of Latin integration). Cuba and Venezuela, probably the strongest opponent of the US policy in Latin

²⁴ France Diplomatie, “The Andean Community of Nations (CAN): Overview of the Situation.” 18/7/2008

²⁵ European Commission, “Andean Community: Regional Strategy Paper 2007-2013.” 12/04/2007

America, started to work together and supported different values. The rejection of the policy, where an open market can resolve every problem in economy, plus negative experience with the IMF and the WB (which Venezuela quit in 2007²⁶) led to a response which would offer another approach, the one more favorable and sustainable for Latin America.

ALBA functions completely in contradiction with FTAA and is based on solidarity, cooperation, emphasizing social and economic sustainability. It is still very young organization, dating back to 2004 when Venezuela and Cuba set the basic framework and Bolivia became a member in 2006 (as other states did later on: Nicaragua, Ecuador, Dominica and other small islands in Caribbean). In the founding declaration, it says: "... firm rejection of the content and goals of the FTAA" and moreover "affirmation that that cardinal principle that should guide ALBA is the great solidarity among the people of Latin America"²⁷. Truly, the fundamental idea is that each country should remain its own sovereignty without free trade or dangerous privatization. Among other objectives, we can find literacy plan, an education scholarship program or literacy plan for Latin America.

The Final Declaration from 2004 also includes: "to guarantee the most beneficial productive complementation on the bases of rationality, exploiting existing advantages on one side or the other, saving resources, extending useful employment, access to markets or any other consideration sustained in genuine solidarity that will promote the strengths of the two countries."²⁸

New television station Telesur is one of the projects that ALBA has started. It is supposed to be a counter-weight to CNN and broadcasts in Latin America and some parts in Africa and Europe. Another success is creation of Petrocaribe, oil trading agreements between member states. As an example, how it works in reality: Venezuela, which exports oil to Cuba with lower price in exchange receives medical employee and supply from Cuba. Also Bank of the South was founded (see page 34). Among last, but not least achievement is new currency known as the SUCRE (named after José Antonio Sucre), created in order to reduce dollar dependence within the region and is expected to be a hard currency in future. In 2010, SUCRE was used in a bilateral trade deal between Venezuela and Ecuador as a virtual currency instead of US dollar.²⁹

²⁶Mark Tran. "Venezuela quits IMF and World Bank", in Guardian, 1/5/2007

²⁷Michael Fox. "Defining the Bolivarian Alternative for the Americas – ALBA, in Voltairenet. org, 6/8/2006

²⁸Michael Fox. Ibid., Voltairenet.org.

²⁹Steven Mather. "Venezuela Pays for First ALBA Trade With Ecuador in New Regional Currency", in venezuelaanalysis.com 7/7/2010

Institutional structure

When looking at weak level of institutionalization, the organization is wholly intergovernmental. The organization is represented by Presidential Council (the Head of the States in charge) which holds annual summits in different places. Moreover four other councils - Social, Economic, Political and Social Movement (Sectoral Ministers in charge) are presented including several Committees. There is no evidence of supranational body, delegation or pooling of power from the national states.

Even if ALBA is a young venture, the main goal – to block FTAA and propose an alternative – was successful. While FTAA collapsed in 2003, ALBA is still alive and supporters argue this programme implementations “mark the road to Latin America’s second and truth independence”. Moreover conservatives in the USA perceive ALBA as a threat to stability in Latin America which helps to spread the Cuban revolution around the region.³⁰ On the other hand, some authors such as Mohsen Al Attar or Rosalie Miller claims, that this type of integration has a potential to become one of the Third World Approaches to International Law, based on human solidarity³¹ which was the approach that collapsed in 1970s (see page 15).

Final remarks

I have more closely presented three quiet different approaches: CAN, starting back in 1960s but radically relaunching its project in 1990s during so called “second wave”. MERCOSUR, relatively new project after the breakup of dictatorships in 1980s. And most recently ALBA, an alternative initiative to FTAA.

Now, let me express a few observations or common signs of South American integration which are worth mentioning:

- The continent is politically unstable, with changing governments and regimes which does not help to advance regionalism.
- The organizations are institutionally very weak. While CAN or MERCOSUR even have its own parliament, the real power is very much in the hands of the Heads of the States.

³⁰ Jacob Bourne. “Background on ALBA, the Bolivarian Alliance for the People of Our America” in Center for Democracy in the Americas, p.1.

³¹ Mohsen Al Attar and Rosalie Miller. “Towards an Emancipatory International Law: the Bolivarian Reconstruction” in Third World Quarterly, Vol. 31, No. 3 p. 343-363

- Strong external factors are affecting the countries. Notable is especially traditionally strong US influence.
- Overlapping membership of organizations.
- The states are very unequal. Brazil, as a regional power, cannot be compared to any other country in the continent. Venezuela, founding member of ALBA, closely full member of MERCOSUR and former member of CAN plays an important role as well.

UNASUR

This chapter, which finally concerns the core of my thesis, should give a reader closer look at the organization UNASUR, examining its historical background, its organs and exploring the so-far started activities.

Historical background

The initiative of having one big institution, embracing entire continent was promoted by Brazil. This idea was not in the history of Latin American integration new (see page 21). It was connected to the idea of South American Free Trade Area (SAFTA) in 1990s, when MERCOSUR and CAN were based on “open regionalism”, negotiating free trade agreements between these two organizations – thus, creating major free trade space on the continent. Nonetheless, at the turn of the century, problems within the institutions have occurred. Events, such as Venezuelan- Columbian dispute - or financial crisis of Real in Brazil and after in Argentina, had indubitably a negative impact and caused a failure of a free trade agreement. Moreover, Brazil and Argentina later on signed the free trade agreement with CAN, which basically destroyed the idea of SAFTA as one big free trade space.

Promising shift was made in 2000, when Brazilian President Cardoso convoked the summit in Brasilia. In principle, the whole South American continent was represented – members of MERCOSUR, CAN, Chile, Guyana and Surinam attended the meeting. Therefore, this can be perceived as the first South American Summit. The final document – Brazilian Communiqué- embraces the move in integration strategy from only free trade measures (SAFTA) to the focus on overall development of the continent. In 2002, the South American leaders were conveyed again in Guayaquil, Ecuador, and they declared: “Presidents reiterated their will to continue promoting actions of coordination and cooperation with a view to creating a common South American space” (Consensus of Guayaquil). Then, only two years later, the summit of all South American countries was held in Cuzco, Peru. During this event, the organization UNASUR (at the time called CSN) was set up. Commenting the result, Pedro Seabra adds: “Highlighting shared values among state members, their interconnectedness, and the need to face several internal and external challenges, it was decided to gradually merge MERCOSUR and CAN, without institutional duplication, seeking greater political, economical, social and energy integration”.³² Additionally, on 23 May 2008, the Constitutive Treaty was officially signed by 12 heads of states and thus, UNASUR was officially born.

³² Pedro Seabra. “UNASUR: South America’s wishful thinking?” in IPRIS Viewpoints, p. 3

General information and structure

The Union of South American Nations (*Unión de Naciones Suramericanas* in Spanish) has officially 12 members: Bolivia, Colombia, Ecuador, Peru (within CAN) and Argentina, Brazil, Uruguay, Paraguay (within MERCOSUR) and Chile, Guyana, Suriname and Venezuela. Panama and Mexico are just observers. The combined population is almost 400 million with four official languages: Spanish, Portuguese, English and Dutch. Each country has its own currency.

Important milestones:

The Brazilian Communiqué, 2000

Cusco Declaration, 8 December 2004

First South American Energy Summit, 16 April 2007

UNASUR Constitutive Treaty, 23 May 2008

UNASUR coming into legal force, 11 March 2011

Constitutive Treaty includes structure and organs of the organization such as financial or juridical foundations. Moreover, in November 2010, after the political crisis in Ecuador, democratic clause to the Constitutive Treaty was included. It contains specific measures (such as shutting down borders, suspension of trade) which would be implemented against the country that suffers an attempted coup. At the time of meeting, H. Timerman, minister of foreign affairs of Argentina said: "Latin-American democracies will not allow a repeat in Ecuador of the coup in Honduras".³³ UNASUR became legal entity with Constitutive Treaty in force in 13 March 2011 which required at least nine ratifications to enter into force and which made UNASUR an international legal personality. Brazil and Paraguay are the only remaining countries that have not ratified the Treaty in their parliaments so far and they have been urged to do so.³⁴

Institutional Structure

Since the beginning, the aim of the organization was not to create a big apparatus with new bodies but rather collaboration with the already existing institutions. However, notably the South American Parliament is proposed to be situated in Cochabamba, Bolivia. In spite of the already started construction by Bolivian government, it is still unclear when the Parliament will officially start to function.

³³ Philip Linghammar. "UNASUR – A United South America", in *utrikesperspektiv.se* 29/3/2011

³⁴ MercoPress. "Uruguay's ratification gives Unasur legal status" 2/12/2010

A Permanent Secretariat is to be established in Quito, but started operating in Buenos Aires, Argentina. Its head, Secretary General (GS) is a legal representative of the Secretariat elected (in unanimous voting among the Heads of the States) for a period of two years. According to the Constitutional Treaty, GS “will not request, neither accept instructions from any government nor any authority other than UNASUR”. Among his/her duties are: monitoring functions of the organization, helping other organs with their tasks or making the Annual Memory and other reports. The first GS was elected Nestor Kirchner, former Argentinean president, in May 2010. After his sudden death only a few months later, María Emma Mejía, Colombian former Minister of Foreign Affairs, assumed office.

The election of General Secretary, since its beginning, creates troubles. Firstly, N. Kirchner, proposed for the post by Ecuador was for some time rejected by Uruguayan government due to the dispute over pulp mills. Since he passed away at the end of October 2010, the post had been unoccupied almost for five month. Nowadays, the two years term has been divided between Colombia (María Emma Mejía) and Venezuela (Alí Rodríguez), each of them serving as a SG for one year.

List of Secretary Generals:

Néstor Carlos Kirchner, 4 May 2010 – 27 October 2010

María Emma Mejía, 11 March 2011 – 11 March 2012

Alí Rodríguez, 11 March 2012 – 11 March 2013 (expected)

President Pro Tempore of UNASUR is another body of the institution, obviously inspired by Presidency of the Council of the European Union. This rotating presidency has its term length for one year and is in alphabetical order. The Head of the particular State should represent UNASUR with third countries, organize UNASUR meetings or present its annual plans of activities. First President Pro tempore was occupied by Michelle Bachelet, from Chile. Currently, the position is hold by Bharrat Jagdeo from Guyana.

Moreover, annual meetings of Heads of the Member States are held. These summits serve as the highest body of the organization, with superior political mandate. As well as Ministers of Foreign Affairs of each country meet once every six months and sectoral ministers are called together, whenever Heads of the States find it important. Also, several groups and committees have been created during first years, focusing on topic such as energy, defense, education, science etc.

Special place in a structure of UNASUR holds The South American Defence Council (SADC). This body, based on the principles of non-intervention, sovereignty and territoriality was pushed forward mainly

by Brazil in 2008, is an instance of consultation, cooperation and coordination on defense matters. It is made up of the Ministers of defence of all twelve countries, meeting annually. In an extraordinary summit in Brazil, the Statute of the UNASUR SADC was signed, naming its main goals. More advanced 2009-2010 Action Plan, signed in Santiago in 2009, seeks greater sharing defence information, such as its expenditures or economic indicators.

My last comment, concerning the structure of UNASUR reflects the stance towards already-existing institutions on the continent. Evidently, UNASUR's strategy is not to destroy already built structure but conversely use it. The director of MERCOSUR, the President of MERCOSUR's permanent representatives committees as well as the Andean Community's general secretary, ALADI's general secretary or among other representatives of Amazon Cooperation Treaty Organization are presented at summits of Ministers of Foreign Affairs. Moreover, sectoral Minister's meetings are organized and developed according to CAN's and MERCOSUR's mechanisms. This clearly shows respect and cooperation with other integration processes on the continent.

Activities

Let me display a few initiatives in which the organization has been participating. This part will be consecutively matter of further discussion in analytical part.

Bank of the South (BANSUR)

On page 28 I stated that this initiative was firstly proposed under the ALBA organization. It generally does not belong to any organization or integration attempts. It is supposed to be a monetary stabilization fund, the unity of accounts for trade purposes and lending organization. In 2006 initial talks were launched between Venezuela and Argentina. In 2007 Brazil agreed to joined, which was seen as an important step and finally in 2009, the bank was officially signed. So far, it has seven members: Argentina, Brazil, Paraguay, Uruguay, Ecuador, Bolivia and Venezuela. Colombia's government, even though previously announced support of the Bank changed its mind and decided not to join the club at the end of 2007. Having argument it wants to know more about the financial commitments.³⁵ The headquarters is situated in Caracas, with smaller branches in La Paz and Buenos Aires with its paid-in capital US \$20 billion ready to be used above all for social, health care, agriculture, energy and infrastructure programs or also emergencies situations such as natural disasters.

³⁵ Hung Bronstein. "Columbia puts off joining Bank of the South", in Reuters 5/12/2007

IIRSA

The Initiative for the Integration of the Regional Infrastructure in South America started in 2000 with a ten-year operative horizon in first phase as a response on a challenge of improvement South American so needed infrastructure network. It was found as an independent intergovernmental forum, however in 2009 the Council of Infrastructure and Planning Ministers was created under the framework of UNASUR and thus converged with it. For all twelve states since the beginning the aim was to promote the transportation and communication infrastructure under sustainable territorial development. They have set up four groups of regions with a special focus. Brazil, with its highly inaccessible Amazonian rainforest is in most of them and the main goal was to link the world's two most important oceans, the Pacific and Atlantic. It has been also supported by the Inter-American Development Bank (IDB).

As an example of success in 2011, Peru's IIRSA Norte highway was awarded by the International Road Federation (IRF) with its Global Road Achievement Award for implementing engineer solutions and measures to help protect the environment.³⁶ This annual, highly competitive global contest can be seen as a positive outcome of ten years' effort. Totally, IIRSA proposes over 500 projects that will bring highways, dams or resource extraction. On the other hand, the initiative has been greatly criticized for its absurd destruction of countryside and for its deforestation in Amazonia.³⁷ UN 2009 special report on indigenous rights highlighted the overlapping practices of national governments, cooperating with multinational corporations. It has been said that if the constructions were about to start in Amazonia, many naturally unique places would be destroyed, counting on also local communities which still try to live their separate lives from globalization world in Brazil, Peru and Bolivia.

Other activities

Indeed, there are additional activities or projects that have been planned under UNASUR with no less importance. When Foreign Affairs Ministers of UNASUR met in Quito in May 2011 to celebrate the entry into force of the Constitutive Treaty, they recognized free movement of people is a central to any integration process. They examined the Agreement for the exemption of visas and the use of Identification Cards for South American citizens. The idea of free movement of people was "on paper" for a long time, but never implemented. Energy is understood as another crucial topic for the continent. First South American Energy Summit was held already in 2007 and in 2009 it was proposed, that UNASUR should served as a mechanism for resolving energy disputes involving

³⁶ Agencia Peruana de Noticias. "IIRSA receives global road achievement award", 3/2/2011

³⁷ Salva le Foreste website, "Amazon Basin: IIRSA opens the way for rainforest invasion", 13/4/2011

member states. Among other activities, UNASUR pledged 100million dollars to Haiti, devastated by earthquake. Correa, at the time holding rotating presidency, said: “We do not want to exercise humanitarian imperialism in Haiti... We want to begin a new form of South-South cooperation...”.³⁸

³⁸ EUBusiness, “Unasur donates 100 million dollars to Haiti reconstruction”, 1/9/2010

THEORETICAL PART

According to my Methodology section (see page 9), the discussion concerns two essential theories, which are generally accepted as classical theories of integration – neofunctionalism and liberal intergovernmentalism. Indeed, when speaking of regional integration, any academic discussion cannot be done without taking into consideration these two mainstream theories. However, like in any other discipline, mainstream theories are often not capable of fully explaining the problem. Therefore I will try to present other alternative theories as well.

In the beginning of 1950s, when regional integration was flourishing, also the first theories appeared. In 1958 Ernest Haas wrote his important book *The Uniting of Europe*³⁹ and according to the European Coal and Steel Community (ECSC) he portrayed the spillover effect. Later, another influential scholar Leo Lindberg had used this concept for his study of European Economic Community (EEC). However in 1960s, Haas partly changed his position to more pessimistic level, as a reaction to the crisis of European integration caused by “high politics” of national states. For instance, France and its president de Gaulle did not want to accept the qualified majority vote system, arguing for importance of its national interest. Afterwards, in 1990s it was claimed we also need to understand a social constructivist approach in order to capture the topic of regional integration.⁴⁰ Moreover, last 10-15 years the biggest contribution to the discussion of regional integration was A. Moravcsik’s liberal intergovernmental approach.

When speaking of integration theories, much discussion in literature starts with the issue how to define the exact term, definition or concept of regional integration. When we understand integration more as an institutionalization (see page 14), certainly “collective decision making” is generally an important aspect. Haas in his early classical study of ECSC described it as: “the process whereby political actors in several distinct national settings are persuaded to shift their loyalties, expectation and political activities to a new center whose institutions possess or demand jurisdiction over the pre-existing national states”.⁴¹ Karl Deutsch, for instance defined integration as “the attainment, within a territory, of a ‘sense of community’ and of institutions and practices strong enough and widespread enough to assure, for a ‘long’ time, dependable expectations of ‘peaceful change’ among

³⁹ Ernst Haas. “The Uniting of Europe: Political, Social and Economic Forces.” Stanford: Stanford University Press

⁴⁰ Jeffrey Checkel. “Social Construction and Integration” in *Journal of European Public Policy* Vol.6, No.4, p.545-560.

⁴¹ Haas, op.cit., p.19.

its population".⁴² On the other hand, term 'Amalgamation' was used to refer to "the formal merger of two or more previously independent units into a single larger unit, with some type of common government".⁴³ In my opinion, most accurate definition was pronounced by Lindberg: "... integration is the process whereby nations forgo the desire and ability to conduct foreign and key domestic policies independently of each other, seeking instead to make joint decisions or to delegate the decision-making process to new central organs" and also "the process whereby political actors in several distinct settings are persuaded to shift their expectations and political activities to a new center".⁴⁴ We can see from these definitions, that Haas and Lindberg saw integration more as a process, while Deutsch understood it rather as a product, which is also an old classic question, whether integration is a product or process.

Neofunctionalism

The central question in integration theories comprises: What explains (and what starts) changes in functional scope and institutional capacity of regional integration efforts?⁴⁵ Haas's reply to this point would be spillover effect, which can be explained as: "situation in which a given action, related to a specific goal, creates a situation in which the original goal can be assured only by taking further actions, which in turn create a further condition and a need for more action, and so forth".⁴⁶ There are two kinds of spillovers – functional and political. Latter represents politicians, which will initially be perhaps reserved to this process and even might try to avoid it. Whereas functional spillover is seen as a daily operation of institutions, ruled by "tecnicos". In history, European Parliament or Court stands as an example of former type.

However, in 1960 even the author of spillover effect Haas changed his mind and proclaimed that he had not foreseen "a rebirth of nationalism and anti-functional high politics".⁴⁷ Indeed, the first attempts saw the process as automatic, while the reality of 1960s gave the truth to more realistic understanding of the topic. In this regard, Lindberg and Scheingold published the book Europe's

⁴² Karl Deutsch. "Political Community and the North Atlantic Area: International Organization in the Light of Historical Experience." Princeton: Princeton University Press, p. 5

⁴³ Deutsch.Ibid.,p.6

⁴⁴ Leon Lindberg. "The Political Dynamics of European Economic Integration", Stanford: Stanford University Press,p.6

⁴⁵ Finn Laursen, "Theory and Practice of Regional Integration" in Jean Monnet/Robert Schuman Paper Series, Vol. 8, No.3,p.4.

⁴⁶ Lindberg. Op.cit.,p.10

⁴⁷ Ernst Haas. "The Uniting of Europe and the Uniting of Latin America" in Journal of Common Market Studies 5, p. 315-343

Would-Be Polity⁴⁸ where they added to original spillover additional three mechanisms: log-rolling and side-payments, actor-socialization and feedback. They perceived integration as a political process, where demand side and supply side are needed. Demand side is represented by various domestic groups which have their expectations and lobby the government for particular outcomes and supply side, where coalition formation and leadership are seen as a central aspect of the process. Therefore, various groups and individual decision makers are essential to overcome initial resistance. In other words, governments will one day find themselves tangled in integration and eventually end up solving conflicts by devoting more authority to the organization they previously created. Also civil society will put their expectations to the region and satisfying them will make a positive environment for spillover effect – and political integration.⁴⁹ Moreover, to fully capture the profit of integration in original sector, it is necessary to grow into other sectors - integration in one sector creates likelihood for integration in other sectors. Besides, spillover effect functions in two separated ways - horizontal and vertical: it widens the scope of integration plus it deepens the authority.

On conclusion, first Haas study utterly marginalized national interest. Neofunctionalist did not examine domestic politics and overvalued the power of supranational body. Stanley Hoffman argues, it is also necessary to take into account logic of diversity. “Every international system owes its inner logic and its unfolding to the diversity of domestic determinants, geo-historical situations, and outside aims among its units”.⁵⁰ Concerning national interest, he adds: “in areas of key importance to the national interest, nations prefer the certainty, or the self-controlled uncertainty, of national self-reliance, to the uncontrolled uncertainty” of integration.⁵¹

Liberal Intergovernmentalism

Liberal intergovernmentalism, contrary to neofunctionalism, explains the origins of regional integration. Its main defender A. Moravcsik applies “an alternative theory of foreign economic policy”.⁵² He mainly refers to “grand bargains” and developed the three stages theory of Rationalist Framework.

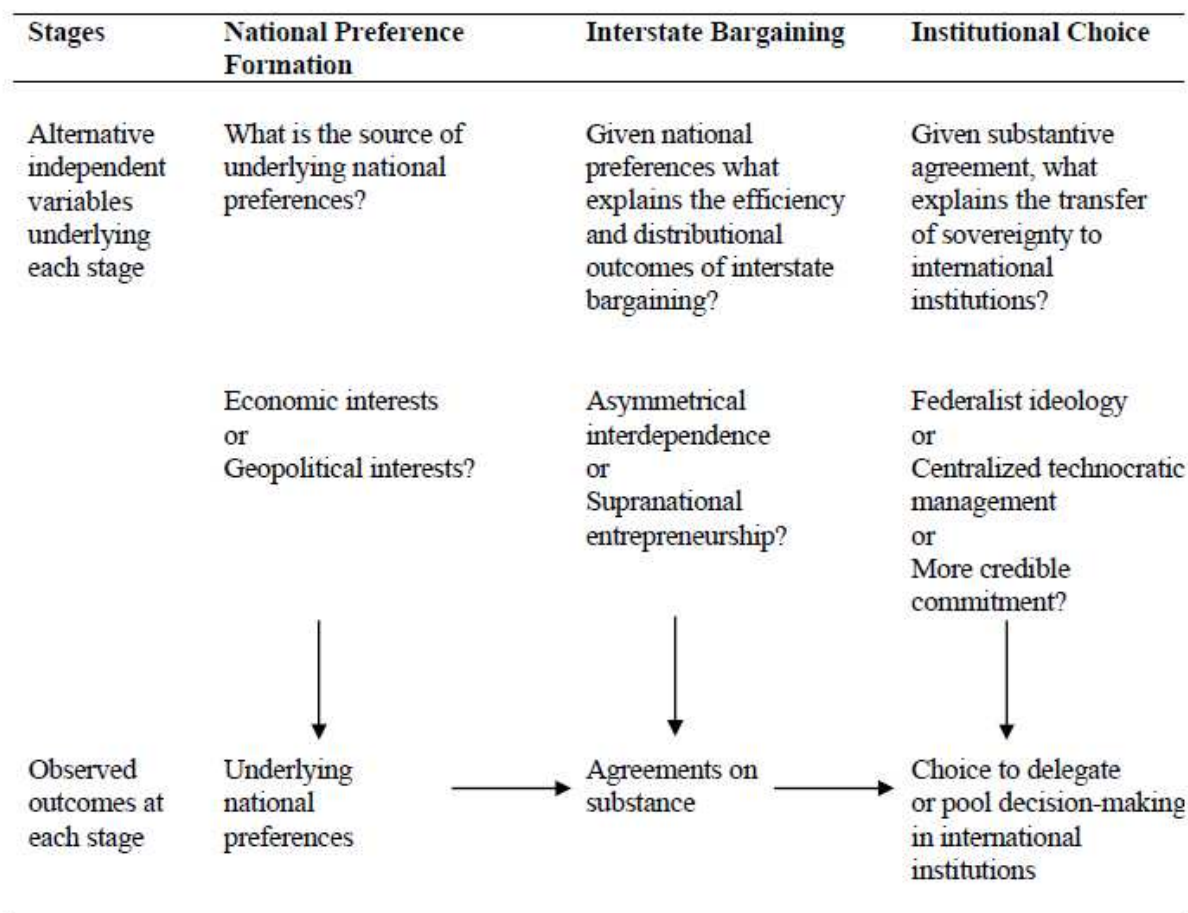
⁴⁸ Leon Lindberg and Stuart Scheingold, “Europe's Would-Be Polity: Patterns of Change in the European Community”, Englewood-Cliffs, N.J.: Prentice-Hall.

⁴⁹ Ernst Haas and Philippe Schmitter. “Economics and Differential Patterns of Political Integration: Projections about Unity in Latin America”, *International Organization* 18(4), New York: Anchor Books, p. 259-299.

⁵⁰ Stanley Hoffmann. “Obstinate or Obsolete? The Fate of the Nation-State and the Case of Western Europe”, *Daedalus* 95,p.864.

⁵¹ Hoffmann.Ibid.,p.882.

⁵² Andrew Moravcsik. “*The Choice for Europe*”, Ithaca: Cornell University Press, p.6.



Source: Moravcsik (1998), p. 24.

The first stage, according to Moravcsik is called “national preference formation”. At this level, the certain state should reply to the question what is their reason to unite. He generally argues there are two explanations: economic and geopolitical interest. In his own view, economic interdependence is perceived as a strong condition for integration. He illuminates that the intra industry and export dependence causes in return pressure for trade liberalization which will logically become the principal engine of integration.

The second stage tries to explain efficiency and distributional outcomes of negotiations. There are two possible types: asymmetrical interdependence and supranational entrepreneurship. He suppose, that some states have more at stake than others so they will try harder to influence the outcomes, therefore asymmetrical interdependence takes place when speaking of regional integration. Moreover, there are three additional factors likely affecting the final outcomes of interstate bargaining: “credible threats to veto”, “credible threats to exclude” and “issue linkage or side-payments”.

The third stage comprises of institutional choice with the question why states decide to shift decision making body to international institutions. Basically, there are two types: delegation or pooling. In the

EU, delegation of power was practiced in the European Commission and European Court of Justice, while pooling sovereignty is an example of qualified majority voting in the Council. However, Moravcsik gives us three reasons -federalist ideology, centralized technocratic management and more credible commitments. He argues for more credible commitments as the real reason. Pooling and delegation is a rational strategy adopted by the member states to pre-commit governments to future decisions, to encourage future cooperation and to improve future implementation of agreements.⁵³

To sum up briefly, when it comes to further development of an organization, protagonists of intergovernmentalism assume that any new decision is totally independent from the previous one. When the time for new decision comes, member states stand in front of a new “blank” situation. This theory rejects the spillover effect, arguing that supranational organization cannot be on an equal level as national governments. The states stay in control and every new step is driven by them (intergovernmentally). Critics of Moravcsik intergovernmentalism points out exactly the fact, he does not give any importance to “already build supranational body” such as the European Commission and its role in the process (as you can see, completely different opinion than the neofunctionalist gives us). Also he assumes the actors have fixed preferences and they behave instrumentally to maximize the accomplishment of its preferences. In real life actors does not have fixed preferences and with this definition, Moravcsik could be perceived as a rational choice institutionalist.

Other theories

In addition to these two popular theories, in order to get a different perspective, I would like to present relatively new theories of integration, which partly originate from neofunctionalism and intergovernmentalism.

Neotransactionalism, not such a well known theory, results from neofunctionalism and stresses the “inherent expansionary” nature of integration, sustained by means of policy feedback and the role of supranational organization.⁵⁴ Moreover, it also takes into account the national governments and intergovernmental bargaining. In their eyes, integration – as a state policy – is only an intermediate level, transitional action carried out by government. Next level will be institutionalization, which in turn regulates national governments.

⁵³ Moravcsik.Ibid.,p.73.

⁵⁴ Wayne Sandholtz and Alec Stone Sweet. “European Integration and Supranational Governance”, Oxford: Oxford University Press, p.25.

A. Malamud adds: “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”.⁵⁵

Neoidealism, as a theory of regional integration, thinks back to Kant and demolishes the previously given axis: interdependence- integration- institutionalization. It is rather focused on intra-state structure. The protagonists believe that the type of political regime influences the integration, namely democracy is crucial precondition (if wars are seen as an obstacle for integration, in democratic regimes wars are less likely to happen). Many researchers agree that democracy accounts for cooperation among countries. On page 17 I formulated my own stance towards democracy and integration.⁵⁶ Summing up, this theory adds one more stage at the beginning of the process of integration, as a necessary condition for continuity.

⁵⁵ Andrés Malamud. “Presidentialism and Mercosur: A Hidden Cause for A Successful Experience”, in *Comparative Regional Intregation: Theoretical Perspective*, edited by Finn Laursen, Ashgate Publishing, p.60

⁵⁶ Philippe Schmitter or W.J. Dixon

ANALYTICAL PART

In this chapter I am going to use both – empirical data which I had collected in previous chapters and also theoretical framework from last chapter. Detailed chart and structure of this chapter can be found on page 12.

Firstly, I would like to elaborate on the topic of diversity of both mainstream theories. As it has been said, neofunctionalism and intergovernmentalism are considered as the most accurate theories when speaking of regional integration. However, the basis of the theories substantially differs. To account for the emergence of an integrating region is not the same like to explain its further progress. While neofunctionalism unravels the mystery of spillover effect and the importance of supranational organ or body, it does not clarify the reasons of origins of the integration. This part of the process had been left out by the neofunctionalists. As well, the original theory does not take into account national domestic affairs and politics, what was pointed out in theoretical chapter. On the other hand, I would stress two other aspects of this theory. Neofunctionalists see integration as an interaction between demand and supply side where both sides are always required for successful start of integration and further creation of spillover effect. While supply side represents governments or official representatives of a state, demand side embraces notably business and social groups among others which should according to this theory make a pressure and put its expectations on supply side in order to achieve its particular outcomes. Nevertheless, in the case of the organization UNASUR, demand side is missing. From business point of view, business groups do not have many reasons to lobby for integration of the UNASUR, since no positive business outcomes are expected and the organization does not offer many opportunities in this regard (economic and trade issues are done through MERCOSUR or CAN institutions). Therefore, business groups rather lobby to these already existing institutions. The issue of social groups and their active involvement in South American integration is not much more positive and will be separately discussed on page 47. On the other side, supply side in many countries is eager for cooperation among states (important note: the Presidents seek to work together, but without any institutionalization – therefore I call it cooperation instead of integration), which has been shown in many governmental meetings and will be debated in great detail below. Yet, I would argue that the supply side is generally the driving force of regionalism on the continent. In conclusion, according to neofunctionalism, there has not been created favorable climate and further successful institutionalization can be hardly expected.

As we have already learned from my foregoing chapter, UNASUR has not developed any sign of supranational body. From exposed diplomatic cables by the organization Wikileaks, we could learn what the American diplomats think of UNASUR. One cable says: “it lacks structure, a set of guiding

principles agreed to by members and any other normal characteristics of institutionalization”.⁵⁷ As discussed in chapter “UNASUR”, in none of the organs can be observed delegation of power or even pooling. Voting system in Summits of Head of the States does not use qualified majority voting or other types of consensus building but instead unanimous voting. Since there has been no integration in one sector, spillover effect cannot grow to other sectors, which was the principal idea of it. Considering the fact that spillover effect does not explain initial origins of integration and moreover it has not even taken place in South America, I am not going to illuminate on this phenomenon anymore. However, I would like to mention another study of Haas – problem of elites and early overpoliticization of the process. Haas proclaimed that chief executives were often influenced in negative way and repeated that it needed “tecnicos” rather than “politicos” to bring spillover. Furthermore, Malamud and Schmitter argue, an early introduction of executive summits tends to stronger intergovernmental procedure⁵⁸ which is indeed the case of UNASUR. In addition, J. Nye warned of the risk of “premature overpoliticization” stressing that high politicians are dangerous for further integration.⁵⁹ All these comments demonstrate the fact that summits of Heads of the States, serving as the highest authority and Councils driven by members of domestic governments in UNASUR is not about to bring any reasonable institutionalization in foreseen future. Notwithstanding, in my opinion only the factor that Summits of Heads of the States serve as the highest authority does not have to be necessary the issue, the real problem causes the fact that high politics reaches to every organ of the organization and there is no indication of any politically neutral body.

In spite of the issue of “premature over-politicization”, we have to also keep in mind the problem of “premature over-institutionalization”. Fast installation of sophisticated institutional architecture within member states reluctant to lose some of its sovereignty will prevent it from spillover, which was the case of CAN in the history of South America. This issue was discussed on page 27 and proves, that even complex body of institutions cannot guarantee further transmission of authority from domestic governments. In other words, building complex regional institution does not guarantee any transmission of sovereignty from a national state, political will is essential part in this regard. On the other hand, in the case of MERCOSUR (see page 24), Presidents have kept the process from stopping and it could have hardly overcome the crisis without their will and positive impulses.⁶⁰ In sum, I would defend the proposition that initially the intergovernmental cooperation is normal or even

⁵⁷ MercoPress. “Paraguay fearful of “Brazilian dominance” reveals Wikileaks cable” 18/2/2011

⁵⁸ Andrés Malamud. “Latin American Regionalism and EU Studies.” In *Journal of European Integration* Vol.32, No. 6, p. 652.

⁵⁹ Nye, J.N. “Patterns and Catalysts in Regional Integration”, *International Organization* 19, p.872.

⁶⁰ de Oliveira.op.cit.,p.9.

worthwhile. From a longer perspective, if regional institution is to move ahead, it can barely persist without developed institutions. Indeed, important role plays also so called high politics, which can effects integration in negative way – exemplary development of the European integration in 1980s can be also interpreted also as a result of highly favorable political background.

Contrary to neofunctionalism, liberal intergovernmentalism explains its origins and descents. The first stage of Moravcsik's Rationalist Framework embraces so called national preference formation. He suggests there are two arguments for unification or integration: geopolitical or economic reasons. In his view, economic interdependence is for regional integration necessary condition as well as further liberalization and growth of intra-trade. Nevertheless, when we look at the empirical data, we find out that in fact this condition cannot be applied to South American integration. To begin with, MERCOSUR countries traded only about 6% on average with each other in 2000, among Andean Community, members shared only 3% of their GDP with each other⁶¹. By contrast, European Union had 67,3 % of total trade conducted. This statistics points out, how little economic interdependence is among the South American states and proves, that intergovernmentalism's precondition in a form of primary economic cooperation cannot be applied to the region. On the other hand, I feel necessary to mention that according to ALADI's report in 2010, the value of intra trade flows in a period 1993-2008 in the whole continent grew approx. 15% annually from original US\$ 11,9 billion up to US\$95,8 billion⁶². In this sense, integration attempts in the region does indeed help to improve economic interdependence, but cannot be understood as a precondition.

Secondly, next stage stresses the distributional outcomes of negotiations. Moravcsik claims the bargainings take place in a form of asymmetrical interdependence. At this stage, states have defined and clarified their will for integration and "grand bargaining" about the shape and form of integration is at stake. This statement can be fully endorsed in a case of South America. It is hard to imagine that Brazil will have the same blueprint of further integration like its neighbours Bolivia, Paraguay or Guyana. Every state on the continent needs to take its own risks, balance pros and cons of further cooperation. Some states might be better off with status quo, others prefer different alternatives than other states suggest and the other way around. This topic of different approaches among the states will be discussed below.

The third stage of Moravcsik's framework does not have to be displayed, since there is no evidence of any pooling or delegation of power. Besides, South America is at the stage, where only sharing of

⁶¹ Temprano Arroyo, "Prospects for Regional Monetary Integration in Latin America: A View from the EU(1)", *Comparative Economic Studies*, Palgrave Macmillan Journals, Vol.45, No.3 p. 384-420

⁶² Macro Trade News, "Report on Latin America intra-regional trade". 19/1/2011

information among states is praised. Sharing the defence data under SADC has been perceived by international commentators as a positive aspect, contributing to global peace. On conclusion, at the first glance intergovernmentalism appears as the right theory to explain UNASURs process of integration. The member states stay in control of all major decisions through several Councils, comprising of senior diplomats or members of domestic governments. Nonetheless, as I have proved above, the primary origins of the integration must have been diverse.

Malamud´s reasoning

On page 16 I have given several examples from all around the world when integrating regions were mushrooming with a few conventional interpretations of possible reasons for integration such as the end of Cold War. Indeed many factors were at work to account for emergence of regionalism. Moravcsik´s given explanations of origins of integration appear incomplete and Malamud⁶³ extended this concept and divides it to external or internal axis plus political or economical axis. He mentions that “causes of Latin American integration initiatives can be classified according to two criteria: locus – whether the focus is on domestic or foreign factors – and substance – whether the motivations are mainly political or economic. This results in a four-fold typology.”⁶⁴

	external	internal
political		
economic		

I am going to use this helpful table not only to set forth the reasons of UNASUR´s creation, but also to apply this tool in order to elaborate on the subjects like political systems or processes being exercised in practice. However, this strategy should primarily clears up the origins of UNASUR integration attempt.

Domestic political explanation

This reasoning primarily refers to democracy and types of democratic regimes. As Schmitter points out, democracy as the condition for integrating regions was in most theories entirely marginalized.⁶⁵ Neoidealism which I have presented above was an exception and took this circumstance into account. About this topic I have been already speaking, it is clear that in several cases the end of autocratic regimes have assisted in international cooperation or even triggered this process. For instance, MERCOSUR, created in 1980s is obviously the case. On the other hand, other authors call

⁶³ Malamud. op.cit.,p.646.

⁶⁴ Malamud. Ibid.,p.646.

⁶⁵ Malamud. Op.cit.,p.61

into question this argument.⁶⁶ When we look at UNASUR's members, all states present themselves as democratic. Although some prominent figures⁶⁷ and domestic opposition in several countries claim their rulers are undemocratic, in these days all twelve members are generally perceived as democracies. Briefly, I believe in a case of UNASUR democracy cannot be proven as an initial seed, nevertheless its general favorable impact can be hardly dismissed.

Researches, how domestic regimes interfere into an international cooperation and integration process have been done⁶⁸, however most scholars have distinguished between democracy and autocratic regimes without bearing in mind the fact, that democracy does not always stand for the same type (e.g. presidential or parliamentary democracy).

In order to fully analyze domestic political factors in democracies, we will need to carry out research on two areas: civil society and governmental institutions.

Civil Society

In this regard, I would like to mention the issue of identities and interests within the society. Integration is also about building communities where member states share common norms and values which support common identity. Flow of people and increased communication are significant factors, improving integration "from below". Even though South America speaks nearly one language and seems to be culturally united, Haas claims identity commonalities are totally irrelevant: "Europe is divided by language and religion, but united by regionally similar social and economic conditions and institutions, Latin America is united merely by language and religion".⁶⁹

On the other side, language unity is undoubtedly advantage for routine communication among politicians but also ordinary people. With rising power of the Internet, the fact that almost everybody on the continent is able to communicate with each other might have a stronger effect than we assume. UNASUR is effectively using social media, such as Facebook. Up to date, it has over 2 500 fans compare to the EU which collected approx. 90 000 fans. On daily basis, new profiles and comments are posted on its official pages on FaceBook or Tweeter, in an attempt to unite and inform its citizen. For instance, the status from May 18 2011: "'Tengo un año para lograr la institucionalización de UNASUR" María Emma Mejía", or another example from May 23 "Cada día más cerca de hacer realidad nuestro sueño, ¡Que viva UNASUR y sus 12 naciones hermanas!". Taking

⁶⁶ K.L. Remmer. "Does democracy promote interstate cooperation? Lessons from the Mercosur Region", 1998

⁶⁷ El Universal, "John McCain views Hugo Chávez as undemocratic", 10/1/2011

⁶⁸ Robert Putnam, Diplomacy and Domestic Politics, The Logic of Two Level Game, 1988

⁶⁹ Haas. Op.cit.,p.333.

into account the fact that in South America access to the Internet is by far not so spread as in Europe and secondly how new organization it is, the result in this regard is nothing to be ashamed of.

However, civil society finds itself closed due to institutional barriers (lack of access) to the regional level or even not interested. If the impact on citizens is minor, there is no reason for civil society to act.⁷⁰ UNASUR leaders, when meeting on summits, merely “speak high politics” and the space for participation from below is very limited.

Governmental institutions

As many scholars declared, special focus when analyzing governments and executive powers in South America should be given to the President. It is publicly known that the Presidents hold a specific position. Presidents such as Evo Morales, Hugo Chavez or Kristina Fernandez rule the states with a strong arm⁷¹. A. Malamud wrote a special report⁷² where he precisely describes and compares presidential democracies on the continent. South American presidentialism is sharply different from the one in the USA. Separation of power, characteristics of the USA system was “modified” to “centralized decision-making arrangement”.⁷³ Only reliable authorities are the Presidents and every big decision in domestic politics is made by them. It is a result of formal institutions, such as: capacity to rule over the cabinet without parliamentary interference or the degree of legislative power belonging to the President, but also informal (which are in developing countries still relevant): political practices or personalization of power.

This given fact has impact also on foreign policy. As expected, the Presidents have a crucial role in integration processes. Opposed to institutionalized professional diplomacy, known from Europe, South America created a new mechanism, so called summit diplomacy. Domestic institutional structure is combined with international strategy, for which Malamud invented a special name: *interpresidentialism*.⁷⁴ It is typical for its speed and dynamics of the process but with barely any regulations, norms and reluctance for its further institutionalization. Lijphart takes a look at the connection between domestic and international affairs and argues, that the Presidents compensate

⁷⁰ J. Grugel. “Regionalist Governance and transnational collective action in Latin America” in *Economy and Society* 35, No.2, 209-231, p.209.

⁷¹ Vaclav Klaus personal webpage, “Zápisky z Latinské Ameriky č.2”, 1/4/2011

⁷² A. Malamud. “Presidentialism in the Southern Cone, a Framework for Analysis”, 2001.

⁷³ José Cheibub and Fernando Limongi, “Where is the Difference? Parliamentary and Presidential Democracies Reconsidered”, XVIII World Congress of Political Science, Québec City

⁷⁴ Malamud.op.cit.,p.66.

their institutional limitations at home in other areas, such as foreign policy with strong interest.⁷⁵ O'Donnell examines similar issue stating, that in South America (particularly in MERCOSUR) citizens are used to institutional deficit from its governments, where most of the important matters are addressed directly to the core of decision making power – President – and not through mistrustful institutional channels.⁷⁶ This is called “other institutionalization” and illustrates reality of South American integration, which can be hardly compared to any other region. This presidential system with accumulated power prevents officials, diplomats and clerks from their job.

Domestic economic explanation

This explanation partly follows the theory of intergovernmentalism. The process of integration starts when domestic markets open up and attract foreign investors. It is generally called liberalization of economy. I have also developed this topic on page 16 mentioning the case of Eastern Europe after the fall of the Berlin Wall. In South America, a clear example can be found again in Southern Cone – MERCOSUR, where economic liberalization indeed contributed to the regional integration. When looking at certain states of UNASUR, we can find examples of openness but also rather closed economies. We do not have to go far away from MERCOSUR, Brazil by far the strongest economy on the continent clearly takes advantage of an open economy and its economic performance is outstanding. Now, its neighbor Argentina is economically still relatively closed (the President of the Czech Republic, when visiting Buenos Aires, called it “practically mercantilistic policy”⁷⁷). Also, I should not leave out the policy of the organization ALBA (see page 28), which neglects the policy of trade liberalization and rather works on the principles of social, political solidarity and mutual economic aid. All in all, integration through trade and economic liberalization is not the case for UNASUR. Certainly, there have been different aspects of its origins and this organization (contrary to MERCOSUR) was hardly created in context of trade liberalization.

External political explanation

Next reason, why regions may seek to integrate is regarded to external forces, such as powerful states or various organizations that interfere in the certain region or country in order to organize it politically. When we give an example of the EU, it operates in two different ways. For many regions, the EU serves as a (integration) model to follow and therefore plays a passive role. However, the EU

⁷⁵ Arend Lijphart. “Presidentialism and Majoritarian Democracy. Theoretical Observations,” in Juan J. Linz and Arturo Valenzuela (eds.), *The Failure of Presidential Democracy*, Johns Hopkins University Press, Baltimore, p.102.

⁷⁶ Guillermo O'Donnell. ‘*Otra Institucionalización*,’ *La Política. Revista de Estudios sobre el Estado y la Sociedad*, Vol. 1.

⁷⁷ Vaclav Klaus personal webpage, “Zápisky z Latinské Ameriky č.2”, 1/4/2011

is also financing and supporting MERCOSUR's institutionalization, which on contrary stands for an active role.

Nevertheless traditionally in Latin America the biggest influence has come from the North – the USA. In subchapter "History of Integration in South America" I have described the US – South America complicated history. In last decade, the USA has politically interfered primarily through the OAS (see page 20). It has been already written; the organization was initially created for collective hemispheric security and has been involved in solving many previous crises in whole Latin America. However in recent period, it comes across as UNASUR has picked over the role played by the OAS. To prove this statement, let me analyze some of the political domestic crises and showed you the difference in approaching the final result.

Since 1992 in Peru, A. Fujimori's autocratic style of governing was disturbing, while in 2000 the situation culminated in obviously manipulated election. When the infamous video appeared (security chief bribing an opposition congressman) the circumstances got worse so badly, that the OAS was invited to the country and "the mesa" played a crucial role in forming an interim government.⁷⁸ The USA is remembered in this unrest for its act, helping to escape CIA spy V. Montesinos (millions of dollars have been paid to his bank account by American government) from the country to Panama.⁷⁹

In Venezuela, the situation was interestingly opposite – the opposition tried to bring down Chavez's government in short-lived coup. The opposition, when realizing that the massive protests make Chavez even more popular turned to the OAS, which created fear in Venezuelan's authority, bearing in mind the former chaos in Peru. Through the OAS mediation, all sides invited to "the mesa" agreed on constitutional option – referendum, which was proposed by the USA as the end of the crisis. Chavez analyzed the disorder well; he was sure of his position and popularity among the people and won the referendum. Even though the opposition did not achieve its aim, by letting them to sit at the table, they reached logistical support of the opposition and electoral challenge to Chavez.

General characteristics drawn from these two examples are following. "The mesa" was a forum for political elite – government, opposition and leading members of civil society, which together conducted a dialogue. The strategy of the OAS was to come as an international authority to domestic affairs, where political opposition and civil society possess governing authority at the costs of the President. This, however, appears to be an issue in South America, where presidents tend to have a monopoly on domestic authority. Moreover, by the fact that the US had a seat at the table, some

⁷⁸ Andrew F. Cooper, and Thomas Legler. "A Tale of Two Mesas: The OAS Defense of Democracy in Peru and Venezuela," *Global Governance* 11(4), p.438.

⁷⁹ John McMillan and Pablo Zoido. "How to Subvert Democracy: Montesinos in Peru", Stanford University, p.71.

critics saw it as an evidence of “the USA presence” on the continent. Even if the OAS was not officially let by the US, its importance in the organization was undoubted.

In 2008, utterly different situation had occurred in Bolivia, where the struggle peaked between E. Morales and eastern departments, wealthy for mineral and gas sources. Right-wing governments of Santa Cruz, Beni and other regions held referenda, calling for autonomy from La Paz, accompanied by strikes and protests. The OAS came to settle it down and released the resolution, calling for respect of democracy and constitution, supporting Morales. Anyway, this act was not received very well, taking into account the fact, that the OAS did not condemn Santa Cruz’s referenda and the possibility of unilateral declaration of independence.⁸⁰ Worth mentioning, the opposition was keen on the cooperation with the OAS, understanding their chances to win the “battle” are much higher, plus having a good relationship with the US. Not long after, armed men opened fire on a group of pro-government protestors and occupied the government offices, Morales declared the state of emergency and things have escalated. M. Bachelet (at the time the President pro tempore of UNASUR), under the pressure of the events, convoked the extraordinary summit in Santiago. In Chile, all twelve presidents very quickly agreed to unanimously support Evo Morales without inviting opposition or civil society to the debate. “Declaration de la Moneda” was presented, Morales arrested the governor L. Fernández, urged opposition to demobilize and the special commission for investigating the Pando massacre was created (later on stating the act was a crime against humanity). Even if the OAS’s secretary general was invited to Santiago, he did not play any active role and the decision was made only by twelve present Heads of the States. R. Correa, Ecuadorian President made a comment: “Before, we used to go to the North to resolve our problems, but now, we go to the South and this time we went to Santiago de Chile”.⁸¹

In 2010 the same kind of manner was used in Paraguay, when President Lugo proclaimed the upcoming coup is being prepared against him, without any evidence. Thanks to the initiative of N. Kirchner, the unanimous statement endorsing Lugo’s position had been made by all UNASUR members.

So far last political democratic crisis appeared in Ecuador. At the end of September 2010, elements of the national police and military forces occupied the National Parliament, blocked two big international airports and important highways in response to the government law, reducing their benefits. After the speech made by President Correa in police headquarters the rebellions attacked him by tear gas, where he was held as a hostage and declared the state of emergency, calling it coup

⁸⁰ Andrés Malamud. “La Cumbra de Unasur en Santiago de Chile y el conflicto en Bolivia”, ARI, No.121, p.5

⁸¹ Malamud.Ibid., p.7.

attempt by the opposition.⁸² At the same night, the emergency summit was convoked in Buenos Aires by GS H. Kirchner. The heads of the States gave full support to Correa. Next morning, the Foreign ministers of UNASUR traveled to Quito, to further back the President directly there.

Apparently, external political factor seems to be a strong argument for UNASUR's creations and existence. It has edged the United States out of the most South American countries internal affairs, plus successfully resolved democratic crises. The organization, contrary to the OAS, assembles presidential summits, rather than creating dialogue between domestic actors. Indeed it preserves democracy on the continent, but it concentrates even greater power in internal matters as a result of UNASUR's summits. Hence, Presidents have an explicit interest in backing other presidents from domestic opposition and simultaneously establishing a precedent that favors their own position in the future. Solingen claims: "dominant domestic political coalitions create regional institutions that strengthen their own position in power".⁸³ Besides, while the OAS has listened to all sides "at the table", UNASUR consistently oppresses the domestic opposition. In the environment where groups lack institutions of horizontal accountability to legal political change, the only means of appeal are strikes, streets blockades, or protests. In other words, this mechanism safeguards democracy on the continent, but at the cost of potential democratic quality.

External economic explanation

Finally, external economic explanation stresses systematic pressure towards regionalization.

"Emergence and endurance of regional cooperation has been shaped by overlapping dynamics of unequal power within a highly asymmetrical and increasingly globalized international system".⁸⁴

On page 34, I mentioned the Bank of the South, which reflects the logic of external economic factor. The creation of the bank was accompanied by strong anti-US rhetoric. BANSUR is created as an opposition to the WB under a new financial architecture – explaining this term, R. Cabezas, Venezuelan financial minister, added: "It will not be credit subjected to economic policy. There will not be a credit that produces a calamity for our people and as a result it will not be a tool of domination"⁸⁵, clearly referring to austerity measures dictated by the IMF or the WB. Venezuela, as a matter of fact the country that originally proposed the idea of BANSUR in 2004, was very active in criticizing once again the US policies. Mr. Chavez gained for some surprising support from the

⁸² BBC News, "Ecuador declares state of emergency amid coup attempt", News Latin America and Caribbean, 1/10/2010

⁸³ Etel Solingen. "The Genesis, Design and Effects of Regional Institutions: Lessons from East Asia and the Middle East", *International Studies Quarterly*, Vol.52, Issue 2, 261-294,p.266.

⁸⁴ Malamud.op.cit.,p.647.

⁸⁵ Google video, "Bank of the South presentation by Rodrigo Cabezas", 5/12/2008

American economist Joseph Stiglitz, recipient of the Nobel Memorial Prize in Economic Science, who said for a British newspaper Guardian that: “It is good thing to have a competition in most markets, including the market for development lending”⁸⁶, adding the advantage of the bank is, that it would reflect the perspectives of these ones in the South. Surely, BANSUR can be seen as a reaction to the outside world, either caused by international organization (WB), or national states.

Over and above, what I found staggering is that BANSUR (but also IIRSA) does not belong directly under UNASUR. BANSUR had been established under the organization ALBA. IIRSA started in 2000 as an independent intergovernmental forum and even the act of creating Council of Infrastructure and Planning Ministers under UNASUR does not change the situation. Government representatives introduce BANSUR or IIRSA as a successful and promising signs of South American integration but in reality, these projects highly depend on every state and its will of participating. When speaking of ALBA - Jácome, Kacowicz or Malamud fear of possible dispute over further development of the continent between organizations UNASUR and ALBA and Jácome adds: “One seeks to become part of the globalization process under the best possible conditions and considers that regional integration is important for reaching this objective. Another perspective views integration as a means for maintaining independence or autonomy vis-à-vis the global economy.”⁸⁷

Some commentators also claim that from a history, present situation differs as South America is becoming increasingly independent on the USA from economic point of view. Jorge G. Castañeda, former Minister of Foreign Affairs from Mexico and nowadays professor at New York University emphasizes that with well functioning UNASUR, Latin America, as we know it, is over. While Central America is still deeply dependent on its neighbors, South America exports its products and raw materials rapidly to BRICS countries among others markets and diversifies its economic ties.⁸⁸

To continue with, one state in the region stays ahead of all twelve countries – Brazil. The research done by Armijo and Sotero in 2007 about the BRICS countries anticipates that Brazil’s destiny is to become a major world power by the middle of the 21 century⁸⁹. Brazil’s GDP in 2009 was almost five times bigger than second economically strongest economy – Venezuela and when combining all GDPs on the continent, Brazil comprises more than half of it⁹⁰. Hence, there is a reasonable fear how Brazil will work on continuing integrating the region. With constantly increasing power of the so

⁸⁶ Rony Carroll. “Nobel economist endorses Chávez regional bank plan”, in Guardian.co.uk, 12/10/2007

⁸⁷ Francine Jácome. “Regional Responsibilities: The Role of Unasur”, document presented at the Roundtable The Impact of Organized Crime on Democratic Governance in Brussels, p. 1.

⁸⁸ Jorge G. Castañeda. “Obama vyjel na jih. Možná je to poslední cesta presidenta USA do Latinské Ameriky”, in iDNES.cz, translated by Jiří Kobělka, 22/3/2011

⁸⁹ Armijo and Sotero, “Brazil: To be or not to be a BRIC?” Asian Perspective, 31(4), p.43-70.

⁹⁰ Espinoza.op.cit.,p.9.

called BRICS countries, Brazil could decide to push aside the idea of UNASUR to the second agenda, in favor of working more closely together with other BRICS states. However, so far this club has not shown strong common agendas and the existence of a coalition is primarily connected to the rejecting opinion towards the uni-polar world. Scholars like R. Espinoza claims⁹¹ that Brazil's future is within the UNASUR for several reasons. Economic strengthening of the region, insufficiency of the US performance on the continent or Brazil's "soft approach" (it has cautiously avoided the traditional hegemonic practices of the USA, but rather implements a policy of multilateralism, so even small states such as Guyana has an opportunity to lead the process of the union though the responsibility of the temporary presidency) are the arguments for Brazilian active and positive participation on the UNASUR. On the other hand, Brazil's negotiations over the EU free trade agreement created some doubts about Brazilian commitment to the regional integration. One way or another, Brazil has become an ambitious country not only on the South American continent and the idea of UNASUR cannot be taken seriously without Brazilian active involvement.

Asymmetrical interdependence

At this point, I do feel necessary to come back at Moravcsik's second stage of Rationalist Framework (see page 40). He assumes a region comprises of unequally powerful countries where asymmetrical interdependence takes place. Moreover, my proclamation stated by Haas above emphasizes that Latin American states are economically and politically more divided than Europe (see page 47) gives him the truth. To see how different regions on the continent perceived integration, let me analyze every state and its initial will towards UNASUR.

MERCOSUR countries

I was just writing about **Brazil**, the largest and economically strongest country in the region, has always played an important role in integration processes. Brazil has been for a long time promoting integration for the reason of gaining a good bargaining position against the FTAA initiative. It desires more and more to be globally recognized as a great power or big international player. It has an assertive foreign policy (ambition of having a permanent seat on the UN Security Council⁹²) with the aim to strengthen the region against the USA influence on the continent. Concerning the USA – Brazil relation, there has been a long rivalry. Despite of the challenges where the cooperation is possible (climate change, energy security or global poverty reduction), there has been different approaches

⁹¹ Espinoza. Ibid.,p.12.

⁹² BBC News. "France backs Brazil UN ambition", 23/12/2008

within foreign policies of these two states (rhetoric on Iranian nuclear situation or other geopolitical and trade issues such as “currency war”) which will certainly test the wills of both presidents. In this regard, specialists such as Mace and Bélanger expressed, that the only counterbalance to the US predominance is the continent in a collective action.⁹³ Brazil clearly pushes forward a different approach for regionalism than FTAA, supporting programs like IIRSA or promoting alternative national or regional programs of development.

According to Da Almeida Medeiros, among three main Brazilian goals concerning regionalism and UNASUR are: single voice vis-à-vis US, rejection of US strategy to dilute the Latin American regional integration to favour bilateral negotiations and increase dialogue with the regions such as Europe or Asia.⁹⁴ However, Dilma Rousseff, the first woman President in the history of Brazil, in her first months in the office, showed more pragmatic and less ideological foreign policy. In March 2011, when welcoming Barack Obama in Brazil, she held seemingly more moderate stance towards the USA⁹⁵. Worth mentioning, the new President pleads much more favorable stance towards the South American integration compared to its opposition candidate José Serra⁹⁶.

As a matter of fact, the diplomatic cables, exposed by non-profit organization Wikileaks, reveal interesting practices done by Brazil. One cable, sent in 2005, is dealing with sudden turmoil in Ecuador (President L. Gutierrez was ousted). After a dialogue with Leila Rachid (Minister of Foreign Affairs holding a rotating chair of MERCOSUR) a high ranking diplomat from American embassy to Paraguay wrote to Washington D.C.:

“Rachid noted that Amorim ([at that time Brazilian Minister of Foreign Affairs]) said he wanted no mention of the Inter American Democratic Charter because that would be an invitation for the OAS, and therefore the U.S., to “meddle” in “regional” (i.e., South American) issues that “we should be taking care of ourselves in the region.” She added the personal comment that Amorim is pushing an agenda designed to minimize U.S. influence in South America and assert Brazilian dominance, a course she strongly opposes because it translates into unfettered Brazilian control of Paraguay's destiny.”⁹⁷

⁹³ Gordon Mace and Luis Belanger. “The Americas in Transition: The Contours of Regionalism”, published by Lynne Rienner Publishers, p.42.

⁹⁴ Da Almeida Medeiros, *La genèse du MERCOSUD*. Paris, L'Harmattan, p.380.

⁹⁵ Jorge G. Castañeda. “Obama vyjel na jih. Možná je to poslední cesta presidenta USA do Latinské Ameriky”, in iDNES.cz, translated by Jiří Kobělka, 22/3/2011

⁹⁶ MercoPress. “Serra Calls for a More “Flexible” Mercosur; Claims it Limits Brazil's “Sovereignty” 26/5/2010

⁹⁷ MercoPress. “Paraguay fearful of “Brazilian dominance” reveals Wikileaks cable” 18/2/2011

Among others, this illustrates how Brazil has been using its “soft power” and influence on the continent against the USA and secondly confirms my previously mentioned statements about the relations between UNASUR and the OAS. To sum it up, Brazil, member of BRICS promotes multi-polar world (instead of uni-polar with the USA in charge) where Brazil will play a bigger role and integration in South America should help them to achieve it.

The position of **Argentina**, under President C. Menem, was utterly different case than Brazil. At that time in 1990s, the country was enthusiastic to join NAFTA and negotiate bilateral agreements with the USA. He and his Minister of Economy D. Cavallo perceived regional integration more as an opportunity for free trade which was believed by them to be the right way to improve economic results and reduce the poverty. Nonetheless, the effort was adjusted after the US unsure position of widening NAFTA. This was an impulse for closer cooperation with its neighbors to strengthen MERCOSUR by promoting closer trade relations with the CAN and creating South American space⁹⁸. Major shift in the policy came with new president N. Kirchner, who continued to focus on MERCOSUR and strongly supported the idea of UNASUR. He, initially leftist activist, criticized neo-liberal policies, the USA and FTAA just like his colleague Lula da Silva in Brazil. In 2007 his wife, Kristina Fernandez assumed the office while he became the first General Secretary of UNASUR. He became very good friend with other leftist leaders on the continent, such as R. Correa or H. Chavez. Conversely, traditionally cold relations had been noticed from Chile. Columbian President F. Santos stated regarding Kirchner’s election of SG: “We’ll see if this new appointment strengthens UNASUR or leads to its death”⁹⁹ – statement showing that not every politician was persuaded about his competence.

A similar situation has occurred in **Uruguay**. In a period before President T. Vázquez, the country was reluctant to the idea of widening MERCOSUR and had more realistic approach. It even led to negotiations with the USA on bilateral free trade agreements. After 2004, when T. Vázquez took the office, the focus shifted back, giving a priority to MERCOSUR and strongly supported CSN (UNASUR). Nevertheless, signs of disagreement in the region could be observed. Firstly, Uruguay, as much as Paraguay, felt left behind in MERCOSUR, feeling weak next to two big countries Argentina and Brazil. This might even led to the signature of TIFA (Trade and Investment Framework Agreement) with the USA in 2007. At the time, Brazil and Argentina firmly reminded Uruguay that decisions of political or trade nature with third parties needs the MERCOSUR’s consensus.¹⁰⁰ Another issue came across with dispute over the construction of cellulose mills, which brought the aversion of voting for N. Kirchner.

⁹⁸ José Ruiz. “The new regionalism in South America. From SAFTA and the South American Community of Nations”, presented at the 48 Conference of the International Studies Association in Chicago, p.5

⁹⁹ Colombia Reports. “Colombia: Kirchner could lead to death of Unasur”, 5/4/2010

¹⁰⁰ MercoPress. “Uruguay signs trade agreement with United States”, 25/1/2007

This has been solved in 2010 when Uruguayan government under J. Mujica absented the election and therefore let Kirchner become high rating man in UNASUR. Mujica admitted national political cost of such an act, but underlined the importance of Latin American unity¹⁰¹.

Andean Community countries

Venezuela, member of the club from 1973 to 2006, currently in a process of joining MERCOSUR was the strongest country in Andean Community. Venezuela has the same opinion about the FTAA and the USA as Argentina or Brazil and MERCOSUR has been attractive for H. Chavez for a long time. Venezuela, again in a line with Brazil, wants the world to become multi-polar and deepening South American integration is, according to them, the way how to weaken the control of the USA. Moreover, Venezuela – politically notably on the left – sees the USA as a vehicle of an imperialism and wicked neoliberal politics. H. Chavez, supporter of MERCOSUR-CAN agreement but at the same time he expressed disappointment with the negotiations and compared them to “an amazing slowness”.

Bolivia, which plays the key role in CAN after Venezuelan’s departure, appears to be very keen on regional integration. It is a member of CAN, ALBA, UNASUR, associated member of MERCOSUR and even has an observer status in free trade talks among the USA and Columbian and Peru. Some regard Bolivia as a crucial country in Latin integration¹⁰², which might be supported with the history of Simon Bolívar, the Liberator, or Ernesto Che Guevara, who believed that a social revolution can be spread out precisely from Bolivia. Evo Morales, first indigenous President of Bolivia, when speaking of the USA approaches, uses words such as “death policy” and in recent years strong effort was put upon to ALBA, believing it is the right way, with a help of Venezuela, how to tackle an extreme poverty in the country. Albeit poor economic performance compared to several other countries, its strategic location and memberships in almost every integration attempts in the region, gives Bolivia an opportunity to operate as a mediator between Andean countries and the rest of South America.

Nonetheless, as I have proclaimed before, within CAN not every member holds the same view. Countries like **Peru** and **Colombia** have less confrontational discourse towards the USA with closer ties (trade relations) with Washington D.C. In Colombia, since the end of 1990s has predominated the priority to the USA. Well known “Plan Colombia” has been rejected by countries such as Brazil and included mainly military-counter narcotics aid. This ten years arrangement has had publicly three main points: 1) US troops to operate in seven Colombian bases 2) It gives the US troops immunity

¹⁰¹ MercoPress. “Kirchner gets UNASUR job, Mujica Admits Political Cost but Privileges Unity”, 4/4/2010

¹⁰² Marion Hörmann. “Key role for Bolivia”, 3/2010

from persecution in Colombia and 3) US will invest millions of dollars in military constructions.¹⁰³ Even though they negotiated free trade agreement with MERCOSUR, they also signed the bilateral free trade agreement with the USA, which was the official reason why Venezuela resigned CAN's membership in 2006. Colombia was, especially under the President A. Uribe, in an increasing hemispheric isolation¹⁰⁴: stuck in a potential war with Venezuela, rejecting the Bank of the South or suffering other disputes with its neighbors. Thus while Venezuela are keen on UNASUR, Peru and Colombia have showed little enthusiasm and perceived it rather as a necessary part of the process of regional integration in South America (the costs of a total political exclusion in the region are still high). Lately, in July 2011 newly elected President of Peru Ollanta Humala might rewrite the political map of Andean Community. It has been said, that he does not oppose any bilateral agreements with the USA, but firstly insists on consensus within the CAN. His extraordinary relations with H. Chavez and E. Morales could also display where the country will be politically placed.

Guyana and Suriname

So far I have not been speaking much about three small states on north-east, which are also part of South America. In fact, in colonial times there had been five colonies, while nowadays only Guiana survived as a French single overseas department and is a part of the European Union. Official language is French and the currency is euro. Hence, this territory is not part of UNASUR.

However, next two miniature sovereign states – Guyana (former Dutch and British colony) and Suriname (Dutch colony) are members of UNASUR and the President of Guyana, Bharrat Jagdeo was in 2011 incumbent of Pro Tempore Presidency. These countries lie geographically in South America, but culturally and historically are considered more as “in Caribbean”. They are also members of Caribbean Community (CARICOM) and the Association of Caribbean States (ACS). Therefore, when F. Cardoso invited them to the summit in Brazil, it had been a new role for them to play. Nowadays, they seem to enjoy membership in both regions. Their role specified the Suriname's President in 2005, saying that they should function as a bridge between South America and CARICOM. Positive impact can have also the possibility of joining the infrastructure development projects, such as IIRSA.

Chile

Indeed, concerning regionalism, Chile is one of the most interesting states on the continent. At the present time, Chile is only a full member of UNASUR, since 2006 associated member of CAN (however it was a full member in a period 1969-1976) and since 1996 associated member of MERCOSUR (however, according to article 20 Treaty of Asuncion it should be one day a full member

¹⁰³ Jácome.op.cit.,p.6

¹⁰⁴ Diana Negroporte. “Colombia's Increasing Hemispheric Isolation”, in Brookings, 12/11/2009

of MERCOSUR). Looking back to the history, A. Pinochet was naturally in favor of regionalism, seeing it as a part of an economic liberalization. After him P. Aylwin signed several bilateral free trade agreements with diverse countries: Mexico in 1991, Venezuela in 1992, Columbia in 1993 and Ecuador in 1994. Since 1996, when talks about NAFTA failed, Chile has turned to MERCOSUR, becoming an associated member; it also joined its institutions and wanted to launch talks with CAN. In July 2000, under the recently elected president R. Escobar, Chile started to negotiate its full membership in MERCOSUR, however few month later, in November accepted the US proposal (came into force 2004) for free trade agreement, the act by which Chile totally lost its credibility among other members¹⁰⁵. It also signed the free trade agreement with EU, South Korea, India and many others. Thanks to its strategic location, Chile has sought to boost commercial ties with Asia (being member of Asian-Pacific Economic Cooperation). Recent president S. Pinera, when welcoming President B. Obama in Santiago de Chile in 2011 declared his opinion towards regional integration, saying that America is lagging behind Europe, adding: "... and in America, we are much behind that. In America, 20 years ago, President Bush, father, raised the idea of a free trade area from Alaska to "Fire Land" (Tierra del Fuego) generating a lot of enthusiasm in the region, but it never came true, never materialized..."¹⁰⁶. This statement would probably not be endorsed by many other leaders on the continent. This short history clearly testifies Chilean pragmatism in integration matters and foreign policy – Chile, (with its complicated history of being somewhere between CAN and MERCOSUR) in the middle of talks about MERCOSUR full membership quickly reversed its position and negotiated free trade agreement with the US.

In conclusion, let me express a few final remarks regarding this subchapter. Firstly, we could again realize how big role high politics plays in the integration process in South America. The difference between Argentinean foreign policy in 1990s and 2000s is obvious from the first glance, which is only one example of many others. A lot of states do not have consistent policy towards integration and before every national election it can be hard to predict what the result of a foreign policy will be. This appears as a problem of South American elites, willing not to only cooperate, but also lose some of its sovereignty by delegation of power or pooling. Malamud even argues, in a history of Latin American integration, there has been the only one person – R. Prebisch - capable of comparing to J. Monnet, R. Schuman or J. Delors in Europe¹⁰⁷. F. Jácome concludes: "Though there seems to be a minimum consensus in the region on the need to design and implement a new integration model, there is not necessarily agreement on its main contents. There are no signs that in the short-term,

¹⁰⁵ Ruiz.op.cit.,p8.

¹⁰⁶ Creon Critic webpage, "The Americas lag behind", 28/3/2011

¹⁰⁷ Malamud.op.cit.,p.651.

consensus can be reached between the different political agendas, development projects and international strategies.”¹⁰⁸

Official Documents

Indeed, there is another way how to examine the structure of UNASUR and its cooperation among the members and that is looking at the most important documents and its content. In my problem formulation I have stated the fact that politicians called UNASUR an ambitious project, with bright future as a global player where South American Parliament among others will be established. Easy way, how to give another perspective to my analysis is therefore analyzing treaties and agreements.

The first notable agreement is called **The Brazilian Communiqué**, the final document of the First South American Summit in 2000. The paper urged to “decisively move towards the shared goal of creating a broader economic and trade area in South America”. Nevertheless, it went beyond economic matters, constructing four pillars in wider South American space: 1) democracy; 2) infrastructure; 3) fight against drug trafficking; 4) information, knowledge and technology. In this regard, four important decisions were made.

- 1) To create by 2002 South American System of Political and Economic Cooperation among its members.
- 2) A Plan for the South American Integration of Regional infrastructure (IIRSA) to be implemented in ten years.
- 3) To make democracy a requisite part of the system
- 4) To develop actions to fight against organized crime, in particular drug trafficking¹⁰⁹

In 2004 next milestone has been set up in a new South American Summit held in Cuzco. **The Cusco Declaration** established new initiatives:

- 1) The concerted and coordinated political and diplomatic effort that will strengthen the region as a differentiated and dynamic factor in its foreign relations.
- 2) The deepening of the convergence among Mercosur, the Andean Community and Chile through the perfecting of the free trade area, in which Guyana and Suriname could participate.

¹⁰⁸ Jácome.op.cit.,p10.

¹⁰⁹ Kenneth Serbin. “The Catholic Church, Religious Pluralism, and Democracy in Brazil”, in *Democratic Brazil: Actors, Institutions and Processes*, University of Pittsburg Press, p.35.

- 3) The physical integration and integration of energy and communications in South America based on the deepening of existing bilateral, regional and sub-regional experiences.
- 4) The harmonizing of policies to promote rural and urban development.
- 5) The transfer of technology and horizontal cooperation in all scientific, educational and cultural spheres.
- 6) The growing interaction between enterprises and civil society in the integration dynamics of this South American area, bearing in mind corporate social responsibility.

However, the most important document was agreed in the Third Summit of Heads of State in Brasília in 2008, when **The Constitutive Treaty** was signed.

This, ten pages long paper, specifically states objectives in Article 2 and Article 3. It starts with wider principles such as “political, economic, social, cultural, environmental, energy and infrastructure” integration to the promotion of “sustainable development and wellbeing” and the fight against “persistent poverty, social exclusion and inequality”, to the strengthening of “multilateralism and the rule of law in international relations”. After, Article 21 so called Specific Objectives are pronounced. Yet, any precise goals, with certain measures, dates and facts are lacking. As an example Specific Objective cc) “The inclusive and equitable social and human development in order to eradicate poverty and overcome inequalities in the region” or Specific Objective; kk) “Universal access to social security and health services”. Article 10 mentions that “its headquarters shall be the city of Quito, Ecuador”, without any further information or proposed plan of action. However, as we already know, on 14 March 2011, when Ministers of Foreign Affairs of UNASUR celebrated the Constitutive Treaty entry into force, the first stone for the Permanent Headquarters of UNASUR was laid. Moreover, Article 17 proposes “the creation of a South American Parliament, whose seat shall be the city of Cochabamba, Bolivia”.

To sum up, let me stress my final remarks concerning especially Constitutive Treaty:

- First comment concerns The Brazilian Communiqué. Even if I am more critical of these documents (especially the Constitutive Treaty), it is necessary to say that most of the goals I have presented above have been fulfilled (except the fight against crime). On the other hand, the aims were not sophisticated and no institutionalization was required for their fulfillment.
- It is said in Article 17: “The creation of a South American Parliament, whose seat shall be the city of Cochabamba, Bolivia, will be the subject of an Additional Protocol to the present Treaty”. Not only the timetable is missing, but also this vague announcement

sets further obstacle – Additional Protocol – on the way. Although politicians enjoy talks about common Parliament, the reality is far behind the discourse.

- Article 5 Institutional Development mentions all bodies such as Council of Sectoral Ministers, Working Groups, Council of Delegates, Council of Heads of States or Council of Ministers of Foreign Affairs which are strictly intergovernmental, without any reference to slight move towards supranational body.
- Article 14 Political Dialogue says: “Member States will reinforce the practice of consensus-building on the central themes ([by consensus-building is understood unanimous voting]) ... will promote initiatives that affirm the identity of the region...” Exemplary sample, the practice of consensus-building political dialogue among states is precisely problem which Nye underlines on page 44.
- In Preamble, it is stated: “UNDERSTANDING that South American integration should be achieved through an innovative process, which would include the progress achieved so far by the MERCOSUR and CAN processes.” A declaration like this markedly refers to friendly cooperation with already existed organizations. As well, on page 34 I mentioned the fact that certain processes such as organization of Minister’s meetings are designed by MERCOSUR and CAN structure.
- Article 10 says: “The Secretary General shall be appointed... for a term of two years, renewable only once.” In this context, the decision of having two SG in one term (see page 33) due to the political and ideological reasons seems to be a violation of the Constitutive Treaty.

CONCLUSION

The subject of South American integration is certainly not an easy topic. To understand UNASUR means to comprehend the history of South America, with its many diverse integration attempts like in any other region of the world. As we learned from the thesis, the situation is being intensified by the complex relations among the states, which have been sometimes very warm, but can happen to be cold or even hostile as well. Moreover, the pressure from “outside world” is high, no matter if coming from the USA, Europe or from generally globalised world.

As a matter of fact, the specific type of integration called *interpresidentialism*, which has been applied in order to unite South America nations, has a few relevant roots. Firstly, the reason was to undermine and disrupt the US influence on the continent. Much has been written about the complicated history between these two continents and its nations. It is truth that nowadays, the US interest can be adopted mostly through the OAS. In this sense, UNASUR serves like a primer tool in replacing the role of the OAS as a guard of democracy. This tendency has been observed also in the Washington D.C. The US Director of National Intelligence, testifying before the Congress, expressed his concern: “Regional efforts that lessen US influence are gaining some traction...Organizations such as the Union of South American Nations (UNASUR) are taking on issues once the purview of the OAS. Indeed, South American countries, with one or two exceptions, increasingly are turning to the UNASUR to respond to disputes or unrest in the region”.¹¹⁰ On the other side, it is worth mentioning that the foreign policy of the US itself, with its preoccupation in the Middle East or its fiscal troubles, is with comparison to the 20 century limited.

However, this mechanism is also favorable for the Presidents from domestic point of view. In principle, resolving democratic crisis by UNASUR corresponds to backing its peers abroad and therefore establishing dangerous precedent in strengthening its own position in future. Indeed, this mechanism safeguards democracy on the continent, but at the cost of potential democratic quality. Economic reasons did not prove to be right ones. In this regard, different integration attempts such as CAN or MERCOSUR play more important role than UNASUR. Even behind the creation of BANSUR, the opposition to the WB, I find mainly ideological reasons.

Concerning theories, one more comment is to be raised. Even if there were efforts to apply neofunctionalist theories in Latin America,¹¹¹ there is my concern regarding capacity and legitimacy of using the theory which has been crafted for one specific region – Europe. I argue no single theory

¹¹⁰ Mosinger .op.cit.,p8.

¹¹¹ Ernst Haas. “The Uniting of Europe and the Uniting of Latin America”, 1967

of integration can be transformed to any region, which has been demonstrated in the thesis. Logic of diversity, different backgrounds and political-economic circumstances in certain region cannot be overlooked.

W. Mattli said: "Signing of an integration treaty does not establish integration".¹¹² I am unsure all leaders understand this statement. Behind the lofty talks about uniting one South American nation, building South American Parliament, creating common currency I see clearly pragmatic practices of the leaders. The Constitutive Treaty is vague and opaque, without stating relevant facts, but stressing primarily the importance of national states. Most significantly, the will of the national governments is required for building a supranational body or politically neutral organs. Simply speaking, apart from the political meetings at different levels, no activity is visible under UNASUR. All other initiatives are rather individual platforms which UNASUR struggles to incorporate. As long as the Presidents understand and perceive the integration as a particular policy to achieve their pragmatic goals, none of the regional organizations on the continent will be able to succeed in a long perspective.

¹¹² W. Mattli, "Ernst Haas's Evolving Thinking on Comparative Regional Integration: Of Virtues and Infelicities," *Journal of European Public Policy* 12, No. 2: p.327–48.

APPENDIX

Figures

Flag of UNASUR:



Emblem of UNASUR:



Map of South America:



Cusco Declaration

We, the Presidents of the South American countries, gathered in the city of Cusco during the celebration of the heroic battles of Junín and Ayacucho and of the convening of the Amphictyonic Congress of Panama, following the example of the Liberator Simón Bolívar, of the Grand Marshal of Ayacucho, Antonio José de Sucre, of the Liberator José de San Martín, and of our pro-independence nations and heroes who built the great American Nation without any borders, interpreting the aspirations and hopes of their people for integration, unity and the construction of a common future, have decided to form the South American Community of Nations.

I. The South American Community of Nations is formed bearing in mind:

The shared and unified history of our nations which, from the very heroic deeds in their striving for independence, have confronted common internal and external challenges, shows that our countries have a still untapped potential for making better use of their regional aptitudes and for reinforcing their capacities for international negotiation and projection;

The political and philosophical thinking born of their tradition, which, recognizing the preeminence of human beings, their dignity and rights, the plurality of peoples and cultures, has consolidated a shared South American identity and common values, such as: democracy, solidarity, human rights, freedom, social justice, respect for territorial integrity, for diversity, non-discrimination and the affirmation of their autonomy, the sovereign equality of States and the peaceful settlement of disputes;

The convergence of their political, economic, social, cultural and security interests as a potential element for strengthening and developing their internal capacity for improving their international trade presence;

The conviction that access to better standards of living for their peoples and the promotion of economic development cannot be reduced merely to sustained economic growth policies, but must also encompass strategies that, together with a responsible environmental consciousness and the recognition of the existence of asymmetries in the development of their countries, will ensure a more just and equitable distribution of income, access to education, cohesion and social inclusiveness, together with environmental conservation and the promotion of sustainable development.

In this context, the development of the regions inside the South American area will help to deepen the community project and to improve the quality of life in these zones, which are among the world's relatively less developed.

Their essential commitment to the struggle against poverty, the elimination of hunger, the creation of decent employment, and access by all people to health and education as fundamental tools for the development of nations;

Their identification with the values of international peace and security based on the affirmation of the effective exercise of international law and of a renewed and democratic multilateralism that link up economic and social development firmly and effectively on the world agenda;

The sharing of democratic systems of government and of a conception of governance resting on the people's participation that will increase the transparency of the conduct of public and private affairs and exercise of power with strict adherence to the state of law, in keeping with the provisions of the Inter-American Democratic Charter, in the context of the struggle against corruption in all spheres;

Their determination to develop a politically, socially, economically, environmentally and infrastructurally integrated South American area that will contribute toward strengthening the unique South American identity and, from a subregional standpoint and in coordination with other regional integration experiences, that of Latin America and the Caribbean and will give it a greater weight and representativeness in international forums.

Our conviction that the materialization of the shared values and interests that unite us, not only commit the Governments, but will be viable only if the people assume the leading role that is rightfully theirs in this process. South American integration is, and should be, an integration of people.

II. The integrated South American space will be developed and perfected by means of the following processes:

· The concerted and coordinated political and diplomatic efforts that will strengthen the region as a differentiated and dynamic factor in its foreign relations.

- The deepening of the convergence between MERCOSUR, the Andean Community and Chile through the perfecting of the free trade area, with efforts based, as pertinent, on Resolution 59 of the Thirteenth Ministerial Council of ALADI of October 18, 2004, and its progression to more advanced stages of economic, social and institutional integration. The Governments of Suriname y Guyana will collaborate in the process without neglecting their obligations under the revised Treaty of Chaguaramas.

- The physical integration and integration of energy and communications in South America based on the deepening of existing bilateral, regional and subregional experiences, with the consideration of innovative financial mechanisms and current sectoral proposals that will allow for better implementation of investments in physical infrastructure for the region. .

- The harmonizing of policies to promote rural and agrifood development.

- The transfer of technology and of horizontal cooperation in all scientific, educational and cultural spheres.

- The growing interaction between enterprises and civil society in the integration dynamics of this South American area, bearing in mind corporate social responsibility.

III. The Action of the South American Community of Nations:

The South American Community of Nations will progressively establish and implement its levels and spheres of joint action, promoting convergence and, based on existing institutions, avoiding the duplication and superimposition of efforts without, in so doing, involving new financial expenses.

The Ministers of Foreign Affairs will draw up a concrete proposal of courses of action that will consider, among other things, the meetings of Heads of State as the supreme political body and of Foreign Ministers as the executive decision-making body of the process. The Ministers will enjoy the cooperation of the Chairman of the Committee of Permanent Representatives of MERCOSUR, the Director of the MERCOSUR Secretariat, the Secretary General of the Andean Community, the Secretary General of ALADI, and the Permanent Secretariat of the Amazon Cooperation Treaty Organization, and of other subregional cooperation and integration systems. The Meetings of the Heads of State and of Foreign Ministers will replace the so-called South American Summits.

The Government of Peru will occupy the Pro Tempore Secretariat until the First Meeting of Heads of State of the South American Community of Nations takes place in Brazil in 2005. The Second Meeting will be held in Bolivia.

Signed in the city of Cusco, on the eighth of December of 2004.

Constitutive Treaty

The Republic of Argentina, the Republic of Bolivia, the Federative Republic of Brazil, the Republic of Chile, the Republic of Colombia, the Republic of Ecuador, the Cooperative Republic of Guyana, the Republic of Paraguay, the Republic of Peru, the Republic of Suriname, the Oriental Republic of Uruguay and the Bolivarian Republic of Venezuela.

PREAMBLE

BASED on the shared history and solidarity of our multiethnic, multilingual and multicultural nations, which have fought for the emancipation and unity of South America, honouring the vision of those who forged our independence and freedom in favour of that union and the building of a common future;

INSPIRED by the Cusco Declaration (December 8th, 2004), the Brasilia Declaration (September 30th, 2005) and the Cochabamba Declaration (December 9th, 2006);

AFFIRMING their determination to build a South American identity and citizenship and to develop an integrated regional space in the political, economic, social, cultural, environmental, energy and infrastructure dimensions, for the strengthening of Latin America and Caribbean unity;

CONVINCED that the South American integration and South American unity are necessary to promote the sustainable development and wellbeing of our peoples, and to contribute to the solution of the problems which still affect our region, such as persistent poverty, social exclusion and inequality;

CERTAIN that integration is a decisive step towards the strengthening of multilateralism and the rule of law in international relations in order to achieve a multipolar, balanced and just world, in which the sovereign equality of States and a culture of peace prevail and in a world free of nuclear weapons and of weapons of mass destruction;

CONFIRMING that both South American integration and the South American union are based on the guiding principles of: unlimited respect for sovereignty and territorial integrity and inviolability of States; self-determination of the peoples; solidarity; cooperation; peace; democracy, citizen participation and pluralism; universal, interdependent and indivisible human rights; reduction of asymmetries and harmony with nature for a sustainable development;

UNDERSTANDING that South American integration should be achieved through an innovative process, which would include the progress achieved so far by the MERCOSUR and CAN processes, as

well as the experiences of Chile, Guyana and Suriname, and which goes beyond the convergence among them;

CONSCIOUS that the process of building a South American integration and union is ambitious in its strategic objectives and will be flexible and gradual in its implementation, ensuring that each State honour its commitments according to its own reality;

RATIFYING that fully functioning democratic institutions and the unrestricted respect for human rights are essential conditions for building a common future of peace, economic and social prosperity and for the development of integration processes among the Member States;

AGREE:

Article 1 Constitution Of UNASUR

The States Party to this Treaty decide to constitute the Union of South American Nations (UNASUR) as an entity with international juridical character.

Article 2 Objective

The objective of the South American Union of Nations is to build, in a participatory and consensual manner, an integration and union among its peoples in the cultural, social, economic and political fields, prioritizing political dialogue, social policies, education, energy, infrastructure, financing and the environment, among others, with a view to eliminating socioeconomic inequality, in order to achieve social inclusion and participation of civil society, to strengthen democracy and reduce asymmetries within the framework of strengthening the sovereignty and independence of the States.

Article 3 Specific Objectives

The South American Union of Nations has the following objectives:

- bb) The strengthening of the political dialogue among Member States to guarantee a space for consultation in order to reinforce South American integration and the participation of UNASUR in the international arena;
- cc) The inclusive and equitable social and human development in order to eradicate poverty and overcome inequalities in the region;
- dd) The eradication of illiteracy, the universal access to quality education and the regional recognition of courses and titles;
- ee) Energy integration for the integral and sustainable use of the resources of the region, in a spirit of solidarity;

- ff) The development of an infrastructure for the interconnection of the region and among our peoples, based on sustainable social and economic development criteria;
- gg) Financial integration through the adoption of mechanisms compatible with the economic and fiscal policies of Member States;
- hh) The protection of biodiversity, water resources and ecosystems, as well as cooperation in the prevention of catastrophes and in combating the causes and effects of climate change;
- ii) The development of concrete and effective mechanisms to overcome asymmetries, thus achieving an equitable integration;
- jj) The consolidation of a South American identity through the progressive recognition of the rights of nationals of a Member State resident in any of the other Member States, with the aim of attaining a South American citizenship;
- kk) Universal access to social security and health services;
- ll) Cooperation on issues of migration with a holistic approach, based on an unrestricted respect for human and labour rights, for migratory regularisation and harmonisation of policies;
- mm) Economic and commercial cooperation to achieve progress and consolidation of an innovative, dynamic, transparent, equitable and balanced process focused on an effective access, promoting economic growth and development to overcome asymmetries by means of the complementarities of the economies of the countries of South America, as well as the promotion of the wellbeing of all sectors of the population and the reduction of poverty;
- nn) Industrial and productive integration, focusing especially on the important role that small and medium size enterprises, cooperatives, networks and other forms of productive organisation may play;
- oo) The definition and implementation of common or complementary policies and projects of research, innovation, technological transfer and technological production, aimed at enhancing the region's own capacity, sustainability and technological development;
- pp) The promotion of cultural diversity and the expression of the traditions and knowledge of the peoples of the region, in order to strengthen their sense of identity;
- qq) Citizen participation through mechanisms for interaction and dialogue between UNASUR and the various social actors in the formulation of South American integration policies;
- rr) Coordination among specialised bodies of the Member States, taking into account international norms, in order to strengthen the fight against corruption, the global drug problem, trafficking in persons, trafficking in small and light weapons, terrorism, transnational organised crime and other threats as well as for disarmament, the non-proliferation of nuclear weapons and weapons of mass destruction, and elimination of landmines;
- ss) The promotion of cooperation among the judicial authorities of the Member States of UNASUR.

- tt) The exchange of information and experiences in matters of defence;
- uu) Cooperation for the strengthening of citizen security;
- vv) Sectoral cooperation as a mechanism to deepen South American integration, through the exchange of information, experiences and capacity building.

Article 4 Bodies

The Bodies of UNASUR are:

1. The Council of Heads of State and Government
2. The Council of Ministers of Foreign Affairs
3. The Council of Delegates
4. The General Secretariat

Article 5 Institutional Development

Sectoral Ministerial Meetings, and meetings of the Councils at Ministerial level, Working Groups and other institutional levels may be convened as required on a permanent or temporary basis, in order to fulfil the mandates and recommendations of the competent bodies. These bodies will report on their activities through the Council of Delegates, which will present its findings to the Council of Heads of State and Government or to the Council of Ministers of Foreign Affairs, as appropriate.

The agreements adopted by the Sectoral Ministerial Meetings, Councils at Ministerial level, Working Groups and other institutional levels will be submitted for consideration by the competent body which has summoned or created them.

The Energy Council of South America, created by the Declaration of Margarita (April 17th, 2007), is part of UNASUR.

Article 6 The Council of Heads of State and Government

The Council of Heads of State and Government is the highest organ of UNASUR.

Its responsibilities are:

- a) To establish policy guidelines, plans of action, programmes and projects of the South American integration process and to decide on the priorities to be implemented;
- b) To summon Sectoral Ministerial Meetings and to create Councils at Ministerial level;
- c) To decide on the proposals presented by the Council of Ministers of Foreign Affairs;
- d) To adopt the political guidelines for relation with third parties;

The ordinary meetings of the Council of Heads of State and Government will be held annually. Upon the request of a Member State, extraordinary meetings may be summoned through the Pro Tempore Presidency, subject to the consensus of all Member States of UNASUR.

Article 7 The Pro Tempore Presidency

The Pro Tempore Presidency of UNASUR will be held successively by each of the Member States, in alphabetical order, for periods of one year.

Its responsibilities are:

- a) To prepare, summon and preside over the meetings of the bodies of UNASUR;
- b) To present to the Council of Ministers of Foreign Affairs and to the Council of Delegates the annual program of activities of UNASUR, with dates, venues and agenda of the meetings of its bodies in coordination with the General Secretariat;
- c) To represent UNASUR in international events, with the prior authorization of the Member States;
- d) To undertake commitments and to sign Declarations with third parties, with prior consent of the appropriate bodies of UNASUR.

Article 8 The Council of Ministers of Foreign Affairs

The Council of Ministers of Foreign Affairs has the following functions:

- a) To adopt Resolutions in order to implement the Decisions of the Council of Heads of State and Government;
- b) To propose draft Decisions and prepare the meetings of the Council of Heads of State and Government;
- c) To coordinate positions on central themes of South American integration;
- d) To develop and promote political dialogue and coordination on themes of regional and international interest;
- e) To oversee and evaluate the integration process as a whole;
- f) To approve the annual Programme of activities and the annual working budget of UNASUR;
- g) To approve the financing of the common initiatives of UNASUR;
- h) To implement the policy guidelines for relations with third parties;
- i) To approve resolutions and regulations of an institutional nature or on other themes falling within its jurisdiction;

j) To create Working Groups based on the priorities established by the Council of Heads of State and Government.

The ordinary meetings of the Council of Ministers of Foreign Affairs will be held every semester and may be convened by the Pro Tempore Presidency on an extraordinary basis at the request of half of the Member States.

Article 9 The Council of Delegates

The Council of Delegates has the following functions:

- a) To implement, through the adoption of the appropriate 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;
- b) To prepare the meetings of the Council of Ministers of Foreign Affairs;
- c) To prepare draft Decisions, Resolutions and Regulations for the consideration of the Council of Ministers of Foreign Affairs;
- d) To ensure the compatibility and to coordinate the initiatives of UNASUR with other existing regional and subregional integration processes in order to promote the complementarity of efforts;
- e) To establish, coordinate and oversee the Working Groups;
- f) To oversee the political dialogue and consultation and coordination on issues of regional and international interest;
- g) To encourage the opportunities for dialogue so as to facilitate citizen participation in the South American integration process;
- h) To propose to the Council of Ministers of Foreign Affairs, for its consideration and approval, the draft ordinary annual working budget.

The Council of Delegates is composed of one accredited representative of each Member State. It will meet preferably every two months, in the territory of the State which occupies the Pro Tempore Presidency or another agreed venue.

Article 10 The General Secretariat

The General Secretariat is the body that, under the leadership of the Secretary General, executes the mandates conferred upon it by the organs of UNASUR and represents them accordingly. Its headquarters shall be the city of Quito, Ecuador.

Its responsibilities shall be:

- a) To support the Council of Heads of States and Government, the Council of Ministers of Foreign Affairs, the Council of Delegates and the Pro Tempore Presidency in the fulfilment of their duties;
- b) To propose initiatives and to oversee the implementation of the directives of the organs of UNASUR;
- c) To participate with the right to speak and to perform the role of secretary in the meetings of the organs of UNASUR;
- d) To prepare and submit the Annual Report and the respective reports to the corresponding organs of UNASUR;
- e) To serve as depository of the Agreements in the framework of UNASUR and to arrange for their respective publication;
- f) To prepare the draft Annual Budget for the consideration of the Council of Delegates and to adopt the necessary measures for its proper management and execution;
- g) To prepare the draft Regulations for the functioning of the General Secretariat and to submit them for the consideration and approval of the corresponding organs;
- h) To coordinate with other integration and cooperation entities of Latin America and the Caribbean with a view to developing those activities requested by the bodies of UNASUR;
- i) To execute, according to the regulations, all the legal acts necessary for the proper administration and management of the General Secretariat;

The Secretary General shall be appointed by the Council of Heads of State and Government, following a proposal by the Council of Ministers of Foreign Affairs, for a term of two years, renewable only once. The Secretary General shall not be succeeded by a person of the same nationality.

During the exercise of his or her functions, the Secretary General and the staff of the General Secretariat shall be exclusively dedicated to UNASUR and will not request, neither accept, instructions from any Government nor any authority other than UNASUR, and will refrain from acting in a manner inconsistent with their status as international civil servants with sole responsibility to this international organisation.

The Secretary General shall be the legal representative of the General Secretariat.

In the selection of the employees of the General Secretariat, an equitable representation for each Member State will be guaranteed, taking into account, as far as possible, criteria of gender, language, ethnicity and others.

Article 11 Juridical Sources

The juridical sources of UNASUR are the following:

1. The Constitutive Treaty of UNASUR and other additional instruments;
2. The Agreements concluded by the Member States of UNASUR as a consequence of the instruments mentioned in the item above;
3. The Decisions of the Council of Heads of State and Government;
4. The Resolutions of the Council of Ministers of Foreign Affairs;
5. The Provisions of the Council of Delegates.

Article 12 Approval of the Legislative Measures

All the norms of UNASUR will be adopted by consensus.

The Decisions of the Council of Heads of State and Government, the Resolutions of the Council of Ministers of Foreign Affairs and the Provisions of the Council of Delegates may be adopted with the presence of at least three quarters (3/4) of the Member States.

The Decisions of the Council of Heads of State and Government, the Resolutions of the Council of Ministers of Foreign Affairs adopted without the presence of all Member States, shall be forwarded by the Secretary General to the absent States, which shall make known their position within thirty (30) days after receipt of the document in the appropriate language. In the case of the Council of Delegates, that deadline shall be fifteen (15) days.

The Working Groups shall hold sessions and make proposals as long as they have a quorum of half plus one of the Member States.

The legislative measures emanating from the organs of UNASUR will be binding on the Member States once they have been incorporated into each Member State's domestic law, according to its respective internal procedures.

Article 13 Adoption of Policies and Creation of Institutions, Organizations and Programmes

One or more Member States may submit for the consideration of the Council of Delegates a proposal for adoption of policies, creation of common institutions, organisations and programmes which will

be adopted in a consensual manner, on the basis of a flexible and gradual criteria of implementation according to the objectives of UNASUR and the provisions of Articles 5 and 12 of this Treaty.

Programmes, institutions and organisations in which Member States participate prior to the entry into force of this Treaty may be considered as UNASUR programmes, institutions or organisations, in accordance with the procedures outlined in this article and in accordance with the objectives of this Treaty.

The proposals will be submitted to the Council of Delegates. Once approved by consensus, they will be forwarded to the Council of the Ministers of Foreign Affairs and, subsequently, to the Council of Heads of State and Government, for approval by consensus. When a proposal has not obtained consensus, it may only be submitted to the Council of Delegates six months after its last inclusion in the agenda.

Once a proposal is approved by the highest body of UNASUR, three or more Member States may begin to implement it, provided that the possibility of inclusion of other Member States in such a common initiative is guaranteed and periodical reports of its implementation are presented to the Council of Delegates.

Any Member State may completely or partially refrain from implementing an approved policy, be it for a period defined beforehand, or for an indefinite period, without preventing it from later joining the total or partial implementation of that policy. In the case of institutions, organisations or programmes which are created, any Member State may participate as an observer, or refrain from participating fully or partially for a definite or indefinite period.

The adoption of policies and the creation of institutions, organisations and programmes will be regulated by the Council of Ministers of Foreign Affairs, following a proposal by the Council of Delegates.

Article 14 Political Dialogue

The political consultation and coordination among the Member States of UNASUR will be based on harmony and mutual respect, strengthening regional stability and supporting the preservation of democratic values and the promotion of human rights.

Member States will reinforce the practice of consensus-building on the central themes on the

international agenda and will promote initiatives that affirm the identity of the region as a dynamic factor in international relations.

Article 15 Relationship with Third Parties

UNASUR will promote initiatives for dialogue on themes of regional or international interest and will seek to strengthen cooperation mechanisms with other regional groups, States and other entities with international legal character, focusing on projects in the areas of energy, financing, infrastructure, social policies, education and others to be identified.

The Council of Delegates with the support of the Pro Tempore Presidency and the General Secretariat is responsible for overseeing the implementation of activities. For the purpose of achieving proper coordination, the Council of Delegates shall be informed of and consider the positions that UNASUR will adopt in its relationship with third parties.

Article 16 Financing

The Council of Delegates will propose to the Council of Ministers of Foreign Affairs, for consideration and approval, the draft Annual Ordinary Budget for the functioning of the General Secretariat.

The financing of the ordinary budget for the functioning of the General Secretariat will be based on differentiated contribution quotas of the Member States to be determined by a Resolution of the Council of Ministers of Foreign Affairs, following a proposal by the Council of Delegates, taking into account the economic capacity of the Member States, shared responsibility and the principle of equity.

Article 17 Parliament

The creation of a South American Parliament, whose seat shall be the city of Cochabamba, Bolivia, will be the subject of an Additional Protocol to the present Treaty.

Article 18 Citizen Participation

Full citizen participation in the process of South American integration and union will be promoted by means of dialogue and interaction in a broad, democratic, transparent, pluralistic, diverse and independent manner with the various social actors, establishing effective channels of information, consultation and supervision in the different bodies of UNASUR.

The Member States and organs of UNASUR will promote innovative mechanisms and spaces to encourage discussion of various issues ensuring that the proposals submitted by civil society receive adequate consideration and response.

Article 19 Associate States

Other Latin American and Caribbean States that request participation as Associate States of UNASUR may be admitted with the approval of the Council of Heads of State and Government.

The rights and obligations of the Associate States will be regulated by the Council of Ministers of Foreign Affairs.

Article 20 Accession of New Members

After the fifth year of the entry into force of the present Treaty and taking into account the aim of strengthening Latin American and Caribbean unity, the Council of Heads of State and Government may consider requests for accession as Members States by Associate States, that have held such a status for four years, by means of a consensual recommendation by the Council of Ministers of Foreign Affairs. The respective Protocols of Accession will enter into force 30 days after the completion of the ratification process by all Members States and the acceding State.

Article 21 Dispute Settlement

Any dispute that may emerge between States Parties regarding the interpretation or implementation of the provisions of this Constitutive Treaty will be settled through direct negotiations.

In the case where a solution is not reached through direct negotiation, the Member States involved will submit the dispute for the consideration of the Council of Delegates, which will formulate within 60 days, the appropriate recommendations for the settlement of the dispute.

If a solution is not reached by the Council of Delegates, the dispute will be taken to the Council of Ministers of Foreign Affairs, which will consider it at its next meeting.

Article 22 Privileges and Immunities

UNASUR shall enjoy in the territory of each of its Member States, the privileges and immunities necessary for the fulfilment of its functions.

The representatives of the Member States of UNASUR and the international employees of UNASUR will therefore benefit from the privileges and immunities necessary for the independent exercise of their functions with relation to this Treaty.

UNASUR shall establish with the Republic of Ecuador the corresponding Headquarters Agreement which will establish the specific privileges and immunities.

Article 23 Languages

The official languages of the Union of South American Nations will be English, Spanish, Portuguese and Dutch.

Article 24 Validity and Denunciation

This treaty will have an indefinite validity. It may be denounced by any of the Member States by means of a written notification to the Depositary, which shall communicate such notification to the other Member States.

The denunciation will have effect six (6) months after the date in which the notification is received by the Depositary.

The notification of the denunciation shall not exempt the Member State of the obligation to pay outstanding ordinary contributions.

Article 25 Amendments

Any Member State may propose amendments to this Constitutive Treaty. The proposed amendments will be communicated to the General Secretariat which shall notify the other Member States for its consideration by the bodies of UNASUR.

The amendments approved by the Council of Heads of State and Government will follow the procedure established in article 26 for entry into force.

Article 26 Entry Into Force

The present Constitutive Treaty of the Union of South American Nations will enter into force thirty days after the date of receipt of the 9th instrument of ratification.

The instruments of ratification will be deposited before the Government of the Republic of Ecuador, which will communicate the date of deposit to the other States, as well as the date of entry into force of this Constitutive Treaty.

For the Member State which ratifies the Constitutive Treaty after the deposit of the 9th instrument of ratification, the Treaty will enter into force 30 days after the date in which that State deposits its instrument of ratification.

Article 27 Registration

This Constitutive Treaty and its amendments will be registered at the United Nations Secretariat.

Transitory Article

The Parties agree to appoint a Special Commission, coordinated by the Council of Delegates and composed of representatives of the National, Regional and Subregional Parliaments, with the objective of preparing a draft of an Additional Protocol which will be considered in the IV Summit of Heads of State and Government. This Commission will meet in the city of Cochabamba. Such an Additional Protocol will determine the composition, attributions and functioning of the South American Parliament.

Done in the city of Brasilia, Brazil, on the 23rd day of the month of May of the year 2008, in original copies in the English, Spanish, Portuguese and Dutch languages, the four texts being equally authentic.

BIBLIOGRAPHY

- Agencia Peruana de Noticias. "IIRSA receives global road achievement award", 3 February (2011) <<http://www.andina.com.pe/ingles/Noticia.aspx?id=td2z/YaKAW4=>> [16 May 2011]
- Al Attar, Mohsen and Miller, Rosalie. *Towards an Emancipatory International Law: the Bolivarian Reconstruction*. in *Third World Quarterly*, Vol. 31, No. 3 p. 343-363, London: Routledge, 2010.
- Armijo and Sotero, *Brazil: To be or not to be a BRIC? Asian Perspective*, 31(4), 43-70, 2007.
- Arroyo Temprano. *Prospects for Regional Monetary Integration in Latin America: A View from the EU(1)*, *Comparative Economic Studies*, Palgrave Macmillan Journals, Vol.45, No.3, 2003.
- BBC News, "Ecuador declares state of emergency amid coup attempt", *News Latin America and Caribbean*, 1 October (2010) <<http://www.bbc.co.uk/news/world-latin-america-11447519>> [3 June 2011]
- BBC News. "France backs Brazil UN ambition", 23 December (2008) <<http://news.bbc.co.uk/2/hi/europe/7796776.stm>> [5 June 2011]
- Bolívar, Simon. "Letter to Jamaica", translated by Lewis Bernard in *Selected Writings of Bolivar*. New York: The Colonial Express, 1951.
- Bourne, Jacob. *Background on ALBA, the Bolivarian Alliance for the People of Our America*, edited by Heather Mc Aullife and Sarah Malochowsky in *Center for Democracy in the Americas*, 2009.
- Bronstein, Hung. "Columbia puts off joining Bank of the South", in *Reuters* 5 December (2007), <<http://www.reuters.com/article/2007/12/05/colombia-bank-idUSN0565041420071205>> [7 May 2011]
- Buzan, Barry. *People, States and Fear*. London Harvester Wheatsheaf, 1991.
- Carroll, Rony. "Nobel economist endorses Chávez regional bank plan", in *Guardian.co.uk*, 12 October (2007) <<http://www.guardian.co.uk/business/2007/oct/12/venezuela.banking>> [5 June 2011]
- Castañeda, Jorge G. "Obama vyjel na jih. Možná je to poslední cesta presidenta USA do Latinské Ameriky", in *iDNES.cz*, translated by Jiří Kobělka, 22 March (2011) <http://zpravy.idnes.cz/obama-vyjel-na-jih-mozna-je-to-posledni-cesta-prezidenta-usa-do-latinske-ameriky-g0k-/kavarna.asp?c=A110322_102017_kavarna_chu> [17 April 2011]
- Checkel, Jeffrey. *Social Construction and Integration*, in *Journal European Public Policy* Vol.6, No.4, 1999.
- Cheibub, José Antonio and Limongi, Fernando. *Where is the Difference? Parliamentary and Presidential Democracies Reconsidered*, XVIII World Congress of Political Science, IPSA, Québec City, August 1-5., 2000.
- Colombia Reports. "Colombia: Kirchner could lead to death of Unasur", 5 May (2010) <<http://colombiareports.com/colombia-news/news/9548-colombia-kirchner-could-lead-to-death-of-unasur.html>> [10 April 2011]
- Cooper, Andrew and Legler, Thomas. *A Tale of Two Mesas: The OAS Defense of Democracy in Peru and Venezuela*, *Global Governance* 11(4), 2005.

Creon Critic webpage, "The Americas lag behind", 28 March

(2011)<<http://creoncritic.wordpress.com/2011/03/28/the-americas-lag-behind/>>[4 June 2011]

Dabéne, Olivier. *The Politics of Regional Integration in Latin America, Theoretical and Comparative Explorations*. New York: Palgrave Macmillan, 2009.

Deutsch, Karl. *Political Community and the North Atlantic Area: International Organization in the Light of Historical Experience*. Princeton, N.J.: Princeton University Press, 1957.

Diana Negroporte. "Colombia's Increasing Hemispheric Isolation", in Brookings, 12 November

(2009)<http://www.brookings.edu/opinions/2009/1112_colombia_negroponte.aspx>[4 June 2011]

El Universal, "John McCain views Hugo Chávez as "undemocratic", 10 January (2011)

<http://www.eluniversal.com/2011/01/10/en_pol_esp_john-mccain-views-hu_10A4958011.shtml>[23 May 2011]

EUbusiness, "Unasur donates 100 million dollars to Haiti reconstruction", 1 September

(2010)<<http://www.eubusiness.com/news-eu/haiti-quake-aid-acp.5ye/>>[16 May 2011]

European Commission. " Andean Community: Regional Strategy Paper 2007-2013", E/2007/678, 12 April

2007,< http://eeas.europa.eu/andean/rsp/07_13_en.pdf >[5 June 2011]

Fawcett, Louise. *Regionalism in Historical Perspective in Regionalism in World Politics: Regional Organization and International Order* edited by Louise L'Estrange Fawcett, Hurrell Fawcett, Andrew Hurrell. Oxford University Press, 1996.

Fox, Michael. " Defining the Bolivarian Alternative for the Americas – ALBA" in Voltairenet.org, 9 August

(2007)<<http://www.voltairenet.org/Defining-the-Bolivarian#nb1>>[28 May 2011]

France Diplomatie, "The Andean Community of Nations (CAN): Overview of the Situation" in Ministry of Foreign

Affairs Website, 18 July (2008)<http://www.diplomatie.gouv.fr/en/country-files_156/latin-and-central-america_2098/regional-integration_6048/the-andean-community-of-nations-can_6528/index.html>[5 June 2011]

Google video, "Bank of the South presentation by Rodrigo Cabezas", 5 December

(2008)<<http://video.google.com/videoplay?docid=-7603827665156114786#>>[5 June 2011]

Gorbachev, Mikhail. *Perestroika: New Thinking for Our Country and the World*. London: Collins, 1987.

Grugel, J. *Regionalist Governance and transnational collective action in Latin America* in *Economy and Society* 35, No.2, 209-231, 2006.

Haas, Ernst and Schmitter, Philippe. *Economics and Differential Patterns of Political Integration: Projections about Unity in Latin America*, *International Organization* 18(4), New York: Anchor Books, 1964.

Haas, Ernst. *The Uniting of Europe and the Uniting of Latin America*, in *Journal of Common Market Studies* 5, 315-343, 1967.

Haas, Ernst. *The Uniting of Europe: Political, Social and Economic Forces 1950-1957*. Stanford: Stanford University Press, 1958.

Hoffmann, Stanley. *Obstinate or Obsolete? The Fate of the Nation-State and the Case of Western Europe*, Daedalus 95, 862-915, 1966.

Hörmann, Marion. "Key role for Bolivia", March (2010)<<http://www.inwent.org/ez/articles/168821/index.en.shtml>>[4 June 2011]

Jácome, Francine. *Regional Responsibilities: The Role of Unasur*, document presented at the Roundtable The Impact of Organized Crime on Democratic Governance in Brussels on 30 September 2009.

Laursen, Finn. *Theory and Practice of Regional Integration*, in Jean Monnet/Robert Schuman Paper Series, Vol. 8, No.3, 2008.

Lijphart, Arend. *Presidentialism and Majoritarian Democracy. Theoretical Observations*, in Juan J. Linz and Arturo Valenzuela (eds.), *The Failure of Presidential Democracy*, Johns Hopkins University Press, Baltimore, 1994.

Lindberg, Leon and Stuart A. Scheingold, *Europe's Would-Be Polity: Patterns of Change in the European Community*, Englewood-Cliffs, N.J.: Prentice-Hall, 1970.

Lindberg, Leon. *The Political Dynamics of European Economic Integration*. Stanford: Stanford University Press, 1963.

Linghammar, Philip. "UNASUR – A United South America", in utrikesperspektiv.se, 29 March (2011)<<http://www.utrikesperspektiv.se/2011/03/29/economy-and-trade/abbreviation-week-unasur-a-united-south-america-2/>>[29 May 2011]

Mace, Gordon and Belanger, Luis. *The Americas in Transition: The Contours of Regionalism*, published by Lynne Rienner Publishers, 1999.

Macro Trade News, "Report on Latin American Intra-Regional Trade", 1 January (2011)<<http://marcotradenews.com/diplomacia-comercial/17661/Report-on-Latin-American-intra-regional-trade>>[23 May 2011]

Malamud, Andrés. *La Cumbra de Unasur en Santiago de Chile y el conflicto en Bolivia*, Real Instituto Elcano, No.121, 2008.

Malamud, Andrés. *Latin American Regionalism and EU Studies*, in Journal of European Integration Vol.32, No. 6, p. Routledge, 637-657, 2010.

Malamud, Andrés. *Presidentialism and Mercosur: A Hidden Cause for A Successful Experience*, in Comparative Regional Integration: Theoretical Perspective, edited by Finn Laursen, Ashgate Publishing, 2003.

Marcos Aurelio Guedes de Oliveira. *Mercosur: Political Development and Comparative Issues with the European Union*. Jean Monnet/Robert Schuman Paper Series, Vol. 5 No. 19, 2005.

Mather, Steven. "Venezuela Pays for First ALBA Trade With Ecuador in New Regional Currency" in venezuelaanalysis.com, 7 July (2010)<<http://venezuelaanalysis.com/news/5480>>[28 May 2011]

Mattli, W. *Ernst Haas's Evolving Thinking on Comparative Regional Integration: Of Virtues and Infelicities*, Journal of European Public Policy 12, No. 2: p.327–48, 2005.

McMillan, John and Zoido, Pablo. *How to Subvert Democracy: Montesinos in Peru*, Stanford University, 2004.

Medeiros, Da Almeida. *La genèse du MERCOSUD*. Paris, L'Harmattan, 2000.

MercoPress. "Kirchner gets UNASUR job, Mujica Admits Political Cost but Privileges Unity", 4 May (2010) <<http://en.mercopress.com/2010/05/04/kirchner-gets-unasur-job-mujica-admits-political-cost-but-privileges-unity>> [15 April 2011]

MercoPress. "Mujica: we need Venezuela in Mercosur to help balance the group." in *South Atlantic News Agency*, 1 April (2011) <<http://en.mercopress.com/2011/04/01/mujica-we-need-venezuela-in-mercosur-to-help-balance-the-group>> [10 May 2011]

MercoPress. "Paraguay fearful of "Brazilian dominance" reveals Wikileaks cable" 18 February (2011) <<http://en.mercopress.com/2011/02/18/paraguay-fearful-of-brazilian-dominance-reveals-wikileaks-cable>> [9 April 2011]

MercoPress. "Serra Calls for a More "Flexible" Mercosur; Claims it Limits Brazil's "Sovereignty", 26 April (2010) <<http://en.mercopress.com/2010/04/26/serra-calls-for-a-more-flexible-mercosur-claims-it-limits-brazil-s-sovereignty>> [9 April 2011]

MercoPress. "Uruguay signs trade agreement with United States", 25 January (2007) <<http://en.mercopress.com/2007/01/25/uruguay-signs-trade-agreement-with-united-states>> [15 April 2011]

MercoPress. "Uruguay's ratification gives Unasur legal status" in *South Atlantic News Agency*, 2 December (2010) <<http://en.mercopress.com/2010/12/02/uruguay-s-ratification-gives-unasur-legal-status-nine-out-of-twelve>> [16 May 2011]

Moravcsik, Andrew. *The Choice for Europe*. Ithaca: Cornell University Press, 1998.

Mosinger, Eric. *Integration at the Summit: Unasur and the Politics of Presidential Authority*, University of CA, 2010.

Nye, Joseph S. *Patterns and Catalysts in Regional Integration*. *International Organization* 19: 870–884, 1965.

Nye, Joseph S. *Peace in Parts: Integration and Conflict in Regional Organization*. Boston, 1971.

O'Donnell, Guillermo. 'Otra Institucionalización,' *La Política*. *Revista de Estudios sobre el Estado y la Sociedad*, Vol. 1., 1996.

Pena, Celina and Rozemberg, Ricardo. "A Different Approach to Institutional Development." In *The Canadian Foundation for the Americas (FOCAL)*, 2005.

Ruiz, José. *The new regionalism in South America. From SAFTA and the South American Community of Nations*, University of the Andes, presented at the 48 Conference of the International Studies Association in Chicago, 2007.

Salva le Foreste website, "Amazon Basin: IIRSA opens the way for rainforest invasion", 13 April (2011) <<http://www.salvaleforeste.it/en/201104131405/amazon-basin-iirsa-opens-the-way-for-rainforest-invasion.html>> [16 May 2011]

Sandholtz, Wayne and Alec Stone Sweet. *European Integration and Supranational Governance*. Oxford: Oxford University Press, 1998.

Seabra, Pedro. *UNASUR: South America's wishful thinking?*, edited by Paul Gorjao in Portuguese Institute of International Relations and Security Viewpoints, 2010.

Serbin, Kenneth. *The Catholic Church, Religious Pluralism, and Democracy in Brazil*, in *Democratic Brazil: Actors, Institutions and Processes*, University of Pittsburg Press, 2000.

Solingen, Etel. *The Genesis, Design and Effects of Regional Institutions: Lessons from East Asia and the Middle East*, *International Studies Quarterly*, Vol.52, Issue 2, 261-294,2008.

The United Nations. The Charter of the United Nations,<<http://www.un.org/en/documents/charter/index.shtml>>[20 May 2011]

Tran, Mark. "Venezuela quits IMF and World Bank" in *Guardian*, 1 May (2007)<<http://www.guardian.co.uk/business/2007/may/01/venezuela.imf>>[15 May 2011]

UPI, "Ambitious UNASUR seeks to make impact without conflict" in *United Press International*, 16 June (2010)<http://www.upi.com/Top_News/Special/2010/06/16/Ambitious-UNASUR-seeks-to-make-impact-without-conflict/UPI-62331276717712/>[20 May 2011]

Vaclav Klaus personal webpage, "Zápisky z Latinské Ameriky č.2" 1 May (2011)<<http://www.klaus.cz/clanky/2800>>[3 June 2011]