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Regionalism in Latin America and the Caribbean at the Crossroads: The contrasting strategies of regional integration.

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Heraldo Muñoz, Chile's Ambassador to Brazil, has recently written that although the objective of regional integration 'continues to be an essential instrument in the endeavours to insure the growth of Latin American economies and the well-being of its citizens', it remains the 'forsaken expectation' of most governments and peoples of the region. (Muñoz, 1996, 122). For that reason, it should not be surprising that regionalisation has become again an issue of the greatest political priority for most Latin American and Caribbean countries in the '90s, notwithstanding the failure of the integration attempts of the '50s, '60s, '70s and '80s. Although most government and non-governmental actors accept the necessity of implementing some kind of integration strategy, the debate about regionalism and integration in Latin America and the Caribbean suffers from a number of contradictions, paradoxes and mystifications that should be analysed and criticised.

At the level of the discourse of most governments and political parties regionalism and integration are raised as a powerful ideas with great allure and full of benefits of and by themselves. Since it is generally considered to be the major unfulfilled aspiration of Latin America's 'founding fathers', it is difficult to find any opposition to the belief that the region

must form a bloc in the international arena. At the level of political practice, the prevailing tendency is more and more towards the uncritical acceptance of the technical and economic approach to the issue, which restricts the debate and analysis of regional options, circumscribing them inside the hegemonic neoliberal discourse about trade liberalisation as the only viable paradigm, on the understanding that the 'invisible hand' of the market will solve all the social and political problems facing the Hemisphere.

At the level of the academic debate, the prevailing neoliberal paradigm exercises an enormous influence in an atmosphere characterised by confusion, atomisation and isolation. This situation 'requires a critical and alternative approach.' (Regueiro, 1997, 128).

Regionalism and the potential for conflict.

Although the violent ethnical, cultural, political and social conflicts that seem to affect other regions of the world after the end of strategic bipolarity are not present in Latin America and the Caribbean with the same virulence, it would be an illusion to think that there do not exist in the region conditions that could propitiate the outbreak of different kinds of conflicts. Two major areas of conflict, dialectically linked between themselves, emerge in a quick glance to the region.

First of all, the unipolar nature of the regional inter-state system itself must be taken into account. If at the world level it can be argued that contemporary international politics fits the model of a 'strange hybrid, a *uni-multipolar* system with a superpower and several major powers'

(Huntington, 1999, 36), that is not the case with the Inter-American state system, where a unipolar model has prevailed in the past and prevails in the present. (Borja Tamayo, 1996, 69-94)

The political and military hegemony or domination that the United States has exercised over Latin America and the Caribbean has been strengthened after the end of the Cold War and extended itself over the cultural sphere, even though the region tends to become more autonomous in certain areas of the economic domain, specially in South America, although less so in the Greater Caribbean. Nevertheless, there are abundant signals which make it possible to predict that both at the level of the Nation States and of trans-national non-state actors there is an increasing movement to question and oppose Washington's hegemonic determination. The conflict between the U.S.'s ascendant unilateralism and Latin America's and the Caribbean's growing transforming multilateralism will be present in the future of the region.

Traditionally, Latin American and Caribbean governments and non-governmental actors have perceived regionalisation and integration as two phenomena that would help their Nation-States and the region as whole to overcome the asymmetry of power with the 'Colossus of the North' by pooling their negotiating resources and strategies. By the same token, Washington has not looked with benevolence on any attempt to form regional organisations or integrate regional and subregional societies into blocs that could diminish its domination over the region. For the United States the ideal has been what most authors designate as Pan-American or neo-Pan-American projects where, with the presence of its diplomats and negotiators, the North Americans have been able to blunt the demands of the region and impose their agenda.

The current enthusiasm in the region for the agreements reached at the Rio Summit with the European Union and the growing restlessness with the possibility of a U.S. military intervention in Colombia are the most recent symptoms of the region's resistance to Washington's hegemonic unilateralism.

The second source of conflict, that cannot be detached from the first, emanates from the fact that the main social trait of the region is the prevailing and persistent inequality that permeates all countries, with the exception of Cuba. Income inequality is greater in Latin America and the Caribbean than in any other part of the world. In its recent annual report, the Inter-American Development Bank (IABD) has pointed:

> *'Whichever kind of measurement is adopted, Latin America leaves behind all other regions of the world because of its high inequality. Income distribution has not improved in the '90s and, according to the fragmentary evidence that can be obtained for earlier periods, its present levels are as high as those prevailing two decades ago.'* (Banco Interamericano de Desarrollo, 1998, 16)

To these two main sources of conflict, it would have to be added the broad agenda of issues linked to regional security such as drug production and traffic, corruption, terrorism, environment, migration, non-proliferation of advanced weaponry, nuclear security, governance and stability. Furthermore, the region cannot forget the possibility of border conflicts as the one that opposed Peru and Ecuador in 1995.

When the issues of regional co-operation and integration are analysed in the Latin American and Caribbean context, it must not be forgotten that national sovereignty has been an important value for most of the

peoples in the region. Historically abused by extra-regional great powers in one way or the other, Latin American and Caribbean countries are extremely sensitive to the idea that globalisation has limited sovereignty and reduced its viability. In order to design and implement successful regional integration strategies, the political forces advocating them will have to offer tangible benefits if they want their respective peoples' to support these projects, a process that implies the pooling or cession of important sovereign attributes to supra-national entities or institutions.

If it is true that a regional or subregional integration project must contribute to solve or diminish the impact of old conflicts, it is also true that it must foresee those conflicts or disputes that can take place around the integrating process itself. Four recent examples demonstrate it: the dispute over bananas between the CARICOM countries benefiting by their inclusion in the Lomé Agreement with the European Union and Central American producers; the friction between Venezuela and Colombia over the application of the transport regulations of the Andean Community; the clash between Brazil and Argentina that has produced a crisis inside MERCOSUR; the quarrel between Brazil and the rest of the MERCOSUR because of its government's decision to go ahead with the trade negotiations with the Andean Community.

In the present international context, regional integration is a prolonged, difficult and bumpy road, whose main trait – the pooling of sovereign attributes – can only by assimilated by the peoples of the countries involved on the condition that it be made with their active participation or at least their passive acceptance, in which case, they must result in concrete and tangible social benefits that would justify and legitimise such a significant step. Therefore, any regional integration strategy must not only

increase the negotiating power of each and all members of every regional integration scheme, but must guarantee that the bargains reached will contribute to solve the existing central conflicts or establish the necessary mechanisms for their solution and for the settlement of the disputes that will inevitably result in the process.

Latin American and Caribbean Regionalism in the 90s

From the Rio Group to the Association of Caribbean States and from MERCOSUR to NAFTA, the region has seen an explosion of new regional and subregional arrangements of the most different shapes and forms. There are all-encompassing trade liberalisation schemes like ALADI (Asociación Latinoamericana de Integración – Latin American Association for Integration), or small groupings like the G-3 (Mexico, Venezuela and Colombia). Four subregional agreements stand-out: MERCOSUR, the Andean Community, CARICOM and the Central American Common Market. Some regional groups are mainly designed for political consultations, like the Rio Group. Some, like the Association of Caribbean States, attempt to co-ordinate co-operation in all spheres, including environment and scientifico-technical development. Countries of the region participate in as many as 4 different Summit processes with countries from other regions: the Summit of the Americas, the Iberoamerican Summit, the APEC Summit and the Rio Summit between with the European Union. Every integration scheme, on the other hand, has its own institutionalisation which generally includes a yearly summit. (Millet and Rojas, 1998, 201-232; and Preciado and Rosales, 1997, 49-78)

However, as has been pointed out by Professor Jaime Estay, of Puebla University in Mexico, present integration projects in the region suffer three types of failings that were present in the unsuccessful undertakings of the past: 'the main emphasis is still primarily placed in commercial features, to the disadvantage of other components of the association and of the possible development of measures that would bring about higher levels of technological and productive complementarity and a more positive progress in other areas that can be incorporated into the integration process'; 'there is an evident lack of focus on problems arising from the heterogeneity and different levels of development of participating (countries)'; the integration endeavours 'are very far from transforming themselves into a culturally shared value in the heart of each Latin American society'. In sum, 'up until this date, integration, conventionally assumed by the different schemes, implies almost exclusively its economic aspects and is, at the most, an integration of capital, which constitutes a first rate obstacle to the real advance of the integration cause.' (Estay, 1997, 74-75)

To these general traits a new factor was added in the second part of the '90s. Since the early '90s U.S. policy towards Latin America and Caribbean integration began a gradual shift. In June 1990 President George Bush proposed his 'Enterprise for the Americas Initiative', in which he suggested the creation of a hemispheric free trade zone from Alaska to Argentina. (Pastor, 1992, 97). This policy pledge stimulated Latin American and Caribbean governments in the idea that they could have a better perspective in piercing the protected U.S. market for their products. The negotiating and signing of the North American Free Trade Agreement with Canada and Mexico further invigorated the idea. Finally, when President Bill Clinton

called in 1994 for a Summit in Miami to start negotiations in order to reach a Free Trade Area of the Americas (FTAA), most governments applauded the idea and envisioned it as an important step towards Western Hemisphere integration.

These developments have led Latin American and Caribbean regionalism down a labyrinthine path with questionable results, as demonstrated by the Santiago Summit in 1998, where the U.S. President could not deliver on his promise to have 'fast-track' authority from Congress in order to accelerate the free trade negotiating process. Washington's endeavours and the acceptance of its agenda by many of the governments of the area have eroded the basic underpinnings of the region's most important integration projects. This has led many analysts to ask if Latin America and the Caribbean is following a neo-Pan-American path, with the FTAA as its final and most relevant objective, or a neo-Bolivarian[3] road as materialised in such schemes as MERCOSUR, the Andean Community, the G-3, the Central American Common Market, CARICOM, the Central American Economic Integration Secretariat and the Association of Caribbean States. (Rocha, 1997, 175-176, 73-74)

The basic problem with a neo-Pan-American project – whose true integrating objective can fairly be questioned – is that it would imply a 'vertical regionalisation' in which 'comparatively smaller economies associate themselves with great global powers with the purpose of benefiting from their capital, their enterprises, their technologies and markets.' It is really a project that pursues insertion in the world economy by 'linking' with a highly globalised economy as the American. As demonstrated by the Mexican case, 'subordinated economies have to pay a high cost' for that 'advantage'. For the United States, however, this type of project under-

writes access to an important market and 'develops a mechanism to pressure the European Union and Japan against future protectionist measures.' (Ramírez, 1997, 130-131).

The benefits that Latin America and the Caribbean can accrue from a project like the FTAA are at least questionable for three groups of factors. In the first place, it must be taken into account that in such a case it is the United States that determines in the final analysis the course of the negotiating process, as the debate over 'fast-track' has amply demonstrated. It must be added, furthermore, that it is highly unlikely that the Clinton Administration will be able to obtain the necessary authority from Congress before the end of its mandate in the year 2001. And even if it is obtained, it will be strongly conditioned as Congress would be intent in extracting as many concessions as possible and transferring the costs of market-opening to Latin American and Caribbean economies. The countries of the region will have to wait for the U.S. elections in 2000 in order to assess what will be the balance of power in Congress and between the U.S. Legislative and Executive branches. As most countries negotiating with the U.S. already know, two sectors vie for strengthening the U.S. negotiating position in trade liberalisation processes, the 'rightist conservative unilateralists' led by Jesse Helms and the 'leftist liberal multilateralists' in the style of Richard Gephardt.

Secondly, the model that most probably will serve as a basis for the FTAA is NAFTA, for which Mexico had to pay high costs in order to obtain what it wanted: a favourable climate for U.S. direct investments and a major access into the American market. One of the conclusions to be drawn from NAFTA is that developing countries that link up with developed economies through free trade agreements have to assume major obliga-

tions in all other fields, as has been recognised even by its supporters. Furthermore, when looking at the prospects for the FTAA and comparing them with NAFTA, it must be borne in mind that in the case of Mexico there existed strong U.S. political and security interests that increased Mexico's room for manoeuvre, which is not the case with the rest of Latin America and the Caribbean. Therefore, it should not surprise anybody 'if NAFTA is more likely to constitute an anomaly than the harbinger of future trends in deep integration between North and South.' (Haggard, 1995, 99).

In the third place, NAFTA has been particularly irrelevant or counter-productive when looked at from the social dimension of Latin American and Caribbean societies. There is no empirical proof that demonstrates that a free trade area by itself will promote what constitutes the central element of any national policy for sustainable development: the eradication of poverty and the increase in social cohesion.

At the Miami Summit the Heads of State solemnly declared:

> *'It is politically intolerable and morally unacceptable that certain sectors of our populations are marginalised and do not participate fully in the benefits of development. With the aim of attaining a higher level of social justice for all our peoples, we pledge individually and collectively to increase access to quality education and primary health care, and to eradicate extreme poverty and illiteracy. Everyone should have access to the fruits of democratic stability and economic growth, without discrimination by reasons of race, sex, nationality of origin or religion.'* (Cumbre, 1994, 83).

But the issue of inequality generated by extreme poverty is not only a question of principles, but has an important practical dimension, directly

linked to the topic of development. As the most recent studies have demonstrated, there is 'a strong link between overall growth and a reduction in poverty.' (Deininger and Squire, 1996, 588). Therefore, a strategy designed to diminish poverty is a ***sine qua non*** in order to pursue an effective development plan.

Four years later, in the 1998 Santiago Summit, while launching negotiations towards the FTAA, hemispheric governments recognised the lack of progress in theses endeavours:

> *'Overcoming poverty remains as the major challenge facing our Hemisphere. We are conscious that the positive growth observed in the Americas in the last few years has not solved yet the problems of inequality and social exclusion.'* (Rojas Aravena, 1998, 535).

Due to the existing asymmetries in Hemispheric relationships, and the major role of the United States in the negotiations towards an FTAA, it is highly improbable that such an agreement can address the significant social issues that preoccupy Latin American and Caribbean societies and stand out as potential sources of conflict.

The above argument should not be interpreted as an outright rejection of the FTAA negotiating process. If Latin America and the Caribbean could obtain from the United States their historic demands in terms of a more equitable relationship and a just access to its investment capitals, technologies and markets, FTAA could be highly favourable to the region. But that task, as difficult as it is, will not be made easier unless Latin America and the Caribbean governments approach the negotiations from robust positions, better attained by maintaining all options open, specially in terms of forming subregional coalitions, and reinforcing their links with

other regional blocs, like the European Union, for which there exist significant 'windows of opportunity', as demonstrated in the Rio Summit of June 1999. (Rosenberg, 1998, 178).

The passive acceptance of an FTAA can also produce substantial disadvantages in the alternative scenarios of a future world order, as has been pointed out by Helio Jaguaribe, Dean of the Institute of Political and Social Studies of Rio de Janeiro. For the venerable master of the most recent generations of Latin American and Caribbean social scientists, the FTAA is strongly linked to a ***Pax Americana*** project, whose main traits would be 'a combination of coercive intimidation and abusive exclusions from the U.S. market.' (Jaguaribe, 1998, 136).

The FTAA suffers from two other important shortcomings. It cannot be considered a holistic integration process as it involves mainly the free trade dimension. Furthermore, by its very nature it undermines the cultural identity of Latin America and the Caribbean and facilitates the continuance of U.S. hegemony in that sphere.

For those reasons, it will be highly recommended that the present tendencies of regional integration should continue to advance at the level of the different sub-regions, as has been happening up until now. Nevertheless, it must be guaranteed that those tendencies be assumed by all social actors on the basis of an agenda that will not be limited to trade liberalisation and places the overcoming of poverty and inequality at the centre.

Towards alternative regional integration projects and strategies

When considering regional integration and what some authors have defined as 'new regionalism' (Hettne and Inotai, 1994, 1), specially in the context of the South, there is an obvious need for further research and theoretical clarification. Both the advances and setbacks of the successful European experiment and the failed Latin American and Caribbean attempts demonstrate that there has existed a tendency towards an idyllic perception of regional integration.

Any regional integration project, even in those cases where it has been a success, is a process of complex and prolonged implementation that requires a clear vision on opportunities and risks, a strong and persistent political will and a masterly identification of the ways and means through which it can be accomplished.

An important theoretical problem is the lack of a clear definition about what we understand by integration, its different variables and indicators. These have always been controversial. (Dougherty and Pfaltzgraff Jr., 1993, 443-480). The growing academic debate on the issue, which even questions the main premises of regional integration as theorised in the '50s and '60s, confirms that, notwithstanding the expanded literature on the subject, there does not exist a substantial consensus even on the nature of the phenomenon, something that contrasts paradoxically with the homogeneous international political discourse about regionalism and integration.

Juan Tokatlián, Associate Professor of the Colombian National University, has recently come up with a definition of integration that seems to fill the vacuum for a better understanding of the subject. In an essay

written in 1994, he suggested that it should be understood as 'the broadest, most complex and profound process between two or more nations that would include the social, political, economic, cultural, scientific, diplomatic and even military linking and inter-penetration of enormous proportions, in which several agents from the concerned societies take a dynamic and active role'. (Tokatlián, 1994, 54). Although Tokatlián's definition has the merit of pointing out that integration is much more than a trade liberalisation scheme and that it is a constructivist operation whose results and accomplishments depend on the will and capacity of participating social actors, he forgets to point out a key component: the gradual pooling or cession of sovereign attributes to supra-national institution or entities.

Although that holistic perspective is essential, it must also be borne in mind that the main actors in an integration project will always be the governments of the countries concerned. Being the principal negotiators of bargains to make the integration process advance, governments are generally reluctant to relinquish their authority, based in the legitimising concept of 'national sovereignty'. Perhaps that is the reason why the most recent research on the successful integration experiment that led Europe from the Coal and Steel Community to the Common Market, the Communities and, more recently, the European Union, has found that the Nation States of the Old Continent, far from weakening, have been rescued or strengthened through that process. Those are the conclusions to which Alan S. Milward and Andrew Moravcsik have arrived through different paths. Both their works appear in the references at the end of this paper.

As Björn Hettne has pointed out:

> *'Europe represents the most advanced regional arrangement the world has seen, and it will consequently serve as our paradigm*

for the new regionalism in the sense that its conceptualisation eagerly draws on empirical observations of the European process. Furthermore, Europe is also a concrete model often referred to as an example to follow by other regional organisations such as ASEAN, SAARC and OAU. In more negative terms, the integration process in Europe is seen as a threat to the global trade system, the so called Fortress Europe, and therefore a pretext for organising regional trade systems, such as NAFTA or EAEG. Thus, the emphasis on the new regionalism as a process 'from within' does not mean that it is purely endogenous to the respective region. Even if the initiatives are taken within the region, the factors which make these initiatives necessary are global.' (Hettne and Inotai, 1994, 12)

L. Alan Winters (1997) has attempted to draw a balance of the lessons that can be derived for underdeveloped countries in their regional integration endeavours from the European experience. There are specifically two that must be taken into account. The first is that the phenomenon of European integration has been essentially political and ideological moved 'by a great vision which had propitious residual economic effects.' This conclusion must be qualified in the sense that what Winters defines as 'propitious residual economic effects' were the result, above all, of the social welfare policies followed by the European governments in the 3 initial decades, coinciding with the immediate post-World War II period. The concept that European integration had to take place on the basis of the principles that no area or social sector should pay excessive costs, led to the creation of social cohesion funds or the establishment of Communitarian policies that played a specially favourable role in easing the accession of the Southern members (Greece, Portugal and Spain) in the '80s.

A second lesson arises from the fact that the European integration process has alternated between periods of euphoria and enthusiasm that have speeded it up and intervals of pessimism and doubt that have produced stagnation and even reversals. Winters has suggested that the existence of an executive supra-national institution, the European Commission, has served to have in place a ‘guardian and champion of the European ideal’ whose vital objective has been to keep European integration alive during the lean years and push it as much as possible during the favourable cycles.

Not mentioned by Winters is another lesson that has become particularly evident during the recent years, when the convergence criteria for attaining Economic and Monetary Union have placed enormous pressures in the fabric of common European institutions and individual societies. There is no doubt that the founding, impetus and development of integration from Rome to Maastricht was led by European governmental and entrepreneurial elites, without an overt active participation of the European peoples themselves. European integration was the product of a ‘soft illustrated despotism’, as was defined by Enrique Barón Crespo, a Spanish socialist who presided over the European Parliament between July 1989 and January 1992. (Barón Crespo, 1995, 29). The unfavourable result of the first Danish referendum on Maastricht and the ‘almost no’ of the French in 1993 underlined the ‘democratic deficit’ that pervades the institutions of the European Union, which is linked to the issue of the double allegiance that European citizens have for their respective Nation States and the ‘Europa’ idea. (Weiler, 1995; Milward, 1995). To overcome the ‘democratic deficit’ that seems to usher every integration process, it is convenient to

reinvigorate the role that should be played by trans-national civil society in the concerned region.[4]

Finally, as has been demonstrated by Milward, while the cohesion of the Nation State has been sustained by the implementing of 'national policies designed to secure material benefits for large social groups', an integration process, that always implies at least a limited cession of some sovereign attributes, can only earn the allegiance and support of the citizens of the countries involved if it attains the same or similar benefits in the framework of a new form of international co-operation with other Nations States. (Milward, 1993, 182). In the second part of the '90s the identification of unemployment and the subsequent social malaise with the convergence criteria adopted in Maastricht for the creation of the euro resulted in the 'European ideal' becoming less attractive to broad sectors of the Old Continent. The social question has, therefore, acquired a major importance in the integration process as some recent studies of the European Union have shown. (Begg y Nectoux, 1995; Judt, 1997; Rhodes, 1996).

The conclusions drawn from the above theoretical speculation about integration and its materialisation in the European Union can help design an alternative regional integration strategy for Latin America and the Caribbean. The first thing to bear in mind is that classical regional integration theory has put an excessive emphasis in its economic and commercial components. There exists a noticeable tendency to designate as regional integration practically any agreement that implies the elimination of tariffs and the constitution of customs union and common markets. This tendency has been reinforced by neoliberal dogma and its political implementation, specially in Latin America, where deregulation, privatisation, competitiveness and trade liberalisation have become the hallmarks of 'sound' eco-

nomic practices. Under that theorisation the FTAA is an integration agreement. (Hufbauer, Schott and Clark, 1994).

Most theorists accept as a proven dogma that integration is a road started by a customs union or common market which will devolve into an economic and monetary union, which in its turn will give place to political integration. Not even the European Union fits that prescription. Before the founding of the Common Market in 1957, Europe had to undergo a period of experiment with the European Coal and Steel Community, organised in 1950 as a functional co-operation and integration agreement. On the other hand, there does not seem to be anything fatal about the Economic and Monetary Union giving way to a political union. The 'ever closer union' proclaimed in the founding treaties of the EU will probably lead to the establishment of three levels of governance: supra-national, national and local.

Therefore, it can be safely assumed that any regional integration strategy will presume the necessity of strengthening interdependence in all fields (commercial, economic, social, cultural, political, diplomatic, military and security) with which what is really possible can be constructed: a new level of governance which will complement the Nation State and not substitute it.

This consideration becomes even more decisive in present times when interdependence and globalisation are such important forces affecting not only trade and the economy but other spheres as well. To follow exclusively an economic-commercial road, with its emphasis in market liberalisation, will lead to processes that might marginalise and exclude, endangering the social cohesion of the societies involved. Social justice, income equality and the protection of national cultural identities would not be priorities of trade liberalisation schemes, but the reverse, the casualties

of the ‘invisible hand’ of the market. Culturally, integration should involve the creation of a supra-national unity based in the diversity of its component parts. Only by incorporating these concepts to the integration strategies can there exist a guarantee that old conflicts can be overcome and new conflicts can be prevented.

Regional integration must be understood, furthermore, as a broad, complex, deep, multifaceted and gradual transfer of sovereign attributes to a supra-national level of governance with the participation of governmental and non-governmental actors with the objective of maximising the benefits and minimising the costs of interdependence and globalisation.

Seen in this context, a regional integration strategy must have two major ends, one external and the other internal. Externally, the central purpose must be to increase and strengthen the negotiating power of the participating countries in face of other regions and at the global level. Domestically, it should address the issue of insuring a sustainable economic, social and cultural development with equity, that will reign-in the disagreeable consequences of globalisation and interdependence, reinforcing the essence of the national in a regional project that will not eliminate participating societies’ own identities.

In Latin America and the Caribbean these purposes can be reached only if those strategic variables that will transform Latin America and the Caribbean into a bloc with its own identity and projection in the world arena are put in place both by individual countries and regional schemes. Four dimensions must be taken into account in the design of these strategies:

1. Politically, regional integration schemes in Latin America and the Caribbean should pursue three aims: insuring its independence from U.S. hegemony; creating the necessary institutions for the advancement of the regional integration schemes; and accepting the need for a broader participation of regional civil society.
2. Economically, regionalisation should support an efficient insertion into the world economy by promoting a new international division of labour, the attainment of adequate levels of sustainable growth, the accession to new technologies, the encouragement of foreign investment flows contributing to development without de-stabilising the economies and the support of complementarity.
3. Socially, the integration processes should promote equality and diminish poverty and, by that token, impede marginalisation and exclusion. In sum, to promote the social cohesion of participating societies.
4. Culturally, integration should aspire to protect national and local identities inside broader groupings that would permit a process of trans-culturalisation without a loss of individual values. The final objective would be for citizens to be able to attain the double allegiance to the national and the regional levels of governance.

Towards the XXI century: the present state of regionalisation and integration[5]

Politically, most regional integration schemes, from the Group of Rio and MERCOSUR to the Association of Caribbean States and the SICA[6] have

had as its main objective to increase the autonomy of Latin American and Caribbean countries vis-à-vis the United States. Nevertheless, not all of them have been successful. The present crisis in MERCOSUR, for example, is as much the result of trade disputes between Argentina y Brazil, as of the malaise produced in Brasilia because of two initiatives of dubious character emanating from Buenos Aires: the proposal to adopt the U.S. dollar as the common currency of the regional grouping and the admission request to NATO made by the Menem administration.

The positions adopted by two governments deserve mention in this respect. While Mexico's access to NAFTA makes it particularly vulnerable to U.S. pressure, the Zedillo government has been actively pursuing a policy of trade diversification as exemplified by the agreement reached with the European Union in 1998. At the same time it is actively involved in any initiative contributing to an autonomous Latin American and Caribbean profile like the Iberoamerican Summit process and the just concluded Rio Summit.

Chile, on the other hand, abandoned very rapidly the idea of entering NAFTA when it realised that Congress would not give President Clinton 'fast-track' authority, something that would complicate enormously any negotiation. President Frei's government is now pursuing a MERCOSUR strategy, something that should benefit both sides.

Perhaps the best example of the level of defiance of Washington by Latin America and the Caribbean has been given by the CARICOM governments, which have adamantly pursued a strategy of reaching out to Havana in the face of enormous U.S. pressures. The result has been that Cuba was not only included in the Association of Caribbean States, against American wishes, but has been invited as an observer to the Lomé nego-

tiations with the European Union. The presence of President Fidel Castro of Cuba at the Summit of Cariforum in the Dominican Republic was a further evidence of such a tendency.

At the same time the region has been strengthening its relationships with other blocs and countries. Examples of this can be pointed out in the cases of the Iberoamerican Summit, whose ninth edition will be held in Havana in November and the Summits with the European Union, started this year in Rio de Janeiro.

Nevertheless, it must be pointed out that Latin America and the Caribbean still lack an all-inclusive consultation and co-operation forum without the presence of other powers, with the exception of SELA (Sistema Económico Latinoamericano). The Organisation of America States (OAS) excludes Cuba, as has happened with the Summit of the Americas. The Iberoamerican Summits exclude the English-, French- and Dutch-speaking countries. The only Summit where all the countries of the region have been present is the Rio Summit with the 15 members of the European Union.

As has been pointed out, some sort of institutionalisation is important for the establishment of effective integration schemes. Some regional groupings have opted for a complicated and broad institutional arrangement, whose effectiveness has been questioned. That is the case of the Andean Community. Others have opted for no institutions at all like MERCOSUR. In between these two extremes there are all kinds of arrangements. Up until now, none of these institutions can be singled out as an example of efficiency, with the possible exception of the CARICOM Secretariat and the Permanent Secretariat of SELA, which has lately produced a large array of interesting and thoughtful papers on regional inte-

gration. Nevertheless, it might be pointed out that the lack of any institutional instance to aid the regional integration process might be one of the causes of the present crisis en MERCOSUR.

The participation of different sectors in regional integration arrangements is one of the areas where results have been wanting. There exist several parliamentary instances, like the PARLATINO, the PARLACEN, etc. Nevertheless, their influence and effectiveness is still lacking. From the stand point of civil society, probably the most effective have been the Greater Caribbean Civil Society Forum and the Caribbean Policy Development Centre (CPDC) which have endeavoured to introduce themselves into the policy-making process of their respective governmental counterparts (the Association of Caribbean States and CARICOM). However, they have done it without adequate support from the governments themselves. In the rest of the region, civil society participation has been limited to entrepreneurial groups, which have gained recognition in MERCOSUR, the Andean Community and the G-3. (Podestá, 1998, 75-100; Lewis, 1998, 35-54; and Jelin, 1999, 37-48)

In the economic sphere, what characterises most regional integration schemes is what the United Nations Economic Commission for Latin America and the Caribbean has called ‘open regionalism’, that is, free trade agreements that are compatible with World Trade Organisation (WTO) regulations. Many of them (ALADI, SICA, the Andean Community, CARICOM and MERCOSUR) have as their final objective the establishment of common markets, something that is contradictory with WTO compatibility. Alfredo Guerra-Borges has argued that the passive acceptance of the concept of ‘open regionalism’ with all its implications has led many of these schemes down the road of a *globalisation of regionalisation* instead

of the *regionalisation of globalisation* as should be the case for societies that are looking for autonomous sustainable development. (Guerra-Borges, 1998, 17-34).

The nature of these agreements has been profoundly influenced by changes of government and the fact that most of them have not co-ordinated their integration policies with other public policies, economic and otherwise. The result is an evident lack of coherence and the occurring of spontaneous crises which cannot be solved by the governments involved, like the present trade dispute between Argentina and Brazil, the row between Colombia and Venezuela over transport and the 'banana crisis' between CARICOM and Central America and the Andean Community.

Facing these crises, some governments have signalled their constructive position, as has been the case of Uruguay and Chile in the South and the Dominican Republic in the Caribbean. Leonel Fernández, the President of the latter country has suggested, for example, the creation of a 'strategic alliance' between the Caribbean and Central America in order to co-ordinate and settle their disputes.

But there should not be any doubt that the present world crisis has affected negatively the regional integration process in the region, which has fallen into a period of pessimism in relation to its perspectives.

Although most Latin American and Caribbean governments proclaim their anxiety over social issues like poverty and inequality and in some instances have included a social dimension to their integration schemes, there are very few cases where these concerns are properly addressed. Furthermore, the latter are rarely implemented by all the governments in question. The result is an ostensible social deficit.

Some regional integration schemes, like the Andean Community, MERCOSUR and the Association of Caribbean States, have placed cultural integration in their agendas. It is important to bear in mind, as Inotai has pointed out, that 'in contrast with the Far East or Europe, where regionalism is based on shared cultural and ideological values, regionalism in the Western Hemisphere is characterised by the meeting of two different value systems'. (Hettne and Inotai, 1994, 77). The clash between U.S. hegemonic cultural values and Latin American and Caribbean educational perspectives will be a permanent trait of integration processes in the region. Although in this area there have been less failures and more efforts, it is still a dimension where more exertion is necessary.

Conclusions

The current trend towards regional integration in Latin America and the Caribbean is at a crossroads. On the one hand, there is no doubt that the area is one of the scenarios where the struggle for a 'new regionalism' is unfolding. On the other, because of the unipolar nature of the Inter-American state system, where the U.S. exercises a clear hegemonic power, neoliberalism has been practised with more enthusiasm by the region's governments than in any other area of the world.

Recent U.S. policy towards Latin America and the Caribbean, with its emphasis in the Summit of the Americas and the FTAA negotiating process has had a negative influence over this contradiction, tipping the balance in favour of neoliberal integration schemes. The result is that most of the regional processes, even though they originated in the desire of the region's governments to gain greater autonomy vis-à-vis Washington and increase

their bargaining power in the world economy, are now undergoing different crises. To this might be added the financial crisis of 1998 which had in Latin America and the Caribbean one of its main scenarios.

It is therefore important that, without abandoning the FTAA negotiating process, Latin American and Caribbean governments clarify their regional integration strategies with a whole array of dimensions that should include not only the creation of wider economic spaces, but also the incorporation in the integration process of other spheres of action: political, social and cultural. In this context, it is extremely important that civil society takes an active role in the regional integration process.

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[3] The Neo-Bolivarian concept has its roots in the project first advanced in the early XIX century by Simón Bolívar, one of Latin America's 'founding fathers' to join all the Spanish American Republics in one federation after gaining independence from Madrid. Although some Latin American scholars have suggested this title to define integration projects which are autonomous from the United States, it must be taken into account that present aspirations include regional integration schemes in which non-Spanish speaking countries like Brazil and the former British, French and Dutch colonies are included. Therefore, the concept might be problematic.

[4] Although most political scientists include entrepreneurial groups in their concept of 'civil society', that is not the perspective of the author of this paper. The author shares the basic ideas put forth by Francine Jacomé and Andrés Serbín in their works quoted at the end and materialised in the Greater Caribbean Civil Society Forum.

[5] This section is based in the exchanges which the author has had with Latin American and Caribbean scholars within two academic programs on regional integration: the Academic Project for Regional Integration promoted by the Association of the Unity of Our America (AUNA) (Havana, Cuba) and the Caribbean Integration Observatory promoted by the Co-ordination for Regional Economic and Social Research (CRIES) (Managua, Nicaragua). Special recognition should be given to the work done by Socorro Ramírez (Universidad Nacional de Colombia), Andrés Serbín (Instituto Venezolano de Estudios Sociales y Políticos), Carlos Oliva (Asociación por la Unidad de Nuestra América, La Habana, Cuba),

Jaime Preciado y Alberto Rocha (Universidad de Guadalajara, México), and Lourdes Regueiro and Hernán Yanes (Centro de Estudios sobre América, La Habana, Cuba).

[6] Sistema de Integración Económica Centroamericana (Central American Economic Integration System).

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