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21st Century Regionalism in South America: UNASUR and the search for Development Alternatives

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Introduction

In his *Economic History of Latin America since Independence*, Victor Bulmer-Thomas refers to the economic development of Latin America as “a story of unfulfilled promises” (Bulmer-Thomas 1995, p.392). He argues that the region has remained peripheral and subject to external influence since independence. In the same line, Robert Keohane (2001) has claimed that Latin American countries are *takers* of global rules rather than *rule-makers*. While Latin American countries religiously adopted the formulas of the Washington Consensus, particularly in the 1990s, the 21st Century brought about a vast grassroots-driven sociopolitical change that challenged the neo-liberal dogma and pushed for a change in the development model. Neo-liberalism failed to effectively address inequality, and the negative effects of a purely economical model of development were felt at the social level.

The approach to regional integration followed suit. New institutions were needed to advance an agenda that reflected the values and ideas of the 21st Century. While commercial and trade agreements were at the heart of the *new-regionalism* approach during the last decades of the 20th Century, a renewed search for regional socio-political convergence was promoted particularly by the political leaders of the southern part of the continent. Regional

integration gained a new impetus as a way of promoting a more autonomous and socially sensitive development model. This gave birth to two regional institutions: the Bolivarian Alliance for the Peoples of our America (ALBA), and the Union of South American Nations (UNASUR).

This paper briefly examines the evolution of the regional integration projects implemented in Latin America and the ideas that promoted them. With a particular focus on the Southern hemisphere, we explore the regional institutions created to face the challenges of globalization and development. As the weaknesses of the Washington Consensus became more evident, the most unequal region in the world saw an uprising of mass movements and an expansion of left or left-of-centre governments that came together claiming for a more inclusive model of development. Thus, we scrutinize the regional integration projects advanced as a consequence of these changes with a focus on the UNASUR, exploring its opportunities and challenges in promoting an alternative regional development agenda.

Globalization & Regionalism

Globalization has permeated and changed the everyday life of men and women around the globe. While globalization is not a new phenomenon, the technological advances of the last decades have contributed to change the way we interact globally at the social, cultural, political and, especially, economic level. The globalization process was accompanied by a structural tendency of the global economy to advance economic integration agreements, especially after the Cold War. Processes of regionalization acquired a growing importance in response to global challenges.

Payne & Gamble define regionalism as ‘a state-led or states-led project designed to reorganize a particular regional space along defined economic and political lines’ (1996, p.2). According to these authors, the ‘project’ is always under construction. Whereas *old* regionalism relates to the Cold War, the so-called *new* regionalism emerges in the context of globalized societies. In a world dominated by the WTO and globalization, new regionalism has largely been interpreted as a response of the South with the aim of preserving equality in world affairs. In other words, it is regionalism that provides substance to multilateralism (Tussie 2004).

Regionalism and globalization influence each other at several interacting levels. While old regionalism was mainly related to security and economic concerns, the scope of the new regionalism encompasses multidimensional social processes. As Hettne (2005) points out, regionalism went beyond trade arrangements to include monetary policy, development strategy, and even cooperation in the area of public goods and environment, among other various fields. In this sense, it does not only imply the interaction of governments but of other private actors and the civil society as well. With more than two decades old, and a fast-changing world, the concept of *new* regionalism is becoming obsolete. Hettne (2005) proposes that we rather leave aside the distinctions between *old* and *new* regionalism to put our attention into analyzing the role of regional *actors* in global transformation.

Regional integration can be pursued at different levels of depth and it can take many forms, from lighter agreements of cooperation, to inter-governmental arrangements or supranational institutions. But more importantly, as the region becomes more cohesive and gains identity and weight as an actor, it can eventually shape world order.

Regionalism in Latin America

The regional processes of integration in the region have their background in the foundational moments of nation-states and, more specifically, in the independence movements that led the wars of liberation against European monarchies during the first half of the 19th Century. Francisco de Miranda (who participated in the independence of the United States, in the French revolution and in Hispano-American emancipatory wars) dreamed of a great independent empire extending from the Mississippi River to Cabo de Hornos, in the southernmost part of the American continent. Simón Bolívar, Bernardo O'Higgins, José de San Martín and many other independence heroes are clear examples of how integration was conceived at that time. Their thinking led to several experiments of confederation of sovereign states, being the *Great Colombia* the most famous.¹ They were all, with their differences, political projects. For many different reasons, they all succumbed. The second half of the Century did not witness great integrationist projects as the recently born states were absorbed in their own national unification processes.

During the 20th Century, especially after World War II, regional integration was conceived in many different ways that consequentially led to projects of heterogeneous approaches. From a geographical perspective, there were Pan-American, Ibero-American, Central-American, Andean and Southern Cone initiatives. If we analyze their areas of particular interest and their

¹ The Republic of Great Colombia was a state occupying the territories of present-day Colombia, Venezuela, Ecuador, and Panama. The republic was proclaimed after Simón Bolívar liberated New Granada (today Colombia) from Spanish rule in 1819. Bolívar was its president but after successive disagreements between regionalist and federalists, the state ceased to exist as such in 1931 when Venezuela, New Granada and Ecuador became independent states.

main goals we observe that political coordination was less important than commercial integration. ALALC (*Latin-American Free Trade Association*, or LAFTA), created in 1960, was the first step towards economic integration. Due to its failure in consolidating its primary goals, the Andean Pact was established in 1969 with supra-national decision-making structures to promote deeper cooperation and regional planning. Later on, in 1980, ALADI (*Latin-American Integration Association*, or LAIA) was formed with a more flexible structure that gave economies a wider margin of maneuver at the same time that it tried to take advantage of the trade flows facilitated by LAFTA and the Andean Pact (Tussie 2009). This organization coexists today with other sub-regional integration processes such as the CAN (Andean Community of Nations) and Mercosur (Common Market of the South). All these projects were primarily conceived as commercial initiatives.

Importantly, regionalism in Latin America has historically oscillated between integration schemes under the tutelage of the U.S. and those exclusively Latin-American. As in any other region, the participation of countries in processes of regional integration is linked to their perception of gains in their relative weight. In other words, countries will adhere to regionalization if the economic and political benefits of participation outweigh the benefits of non-participation. Economic benefits can be derived from the complementarity of neighbor economies, the enlargement of market, or the increased power to negotiate at the global level. The political aspects are linked to the strategic and power configurations at the regional level and the geo-political ambitions of its members.

Mexico, the Central American and Caribbean States have always had a stronger link to the United States (US). The

geographical proximity not only promoted economic ties through migration and remittances but also the provision of services and off-shore processing of US goods (e.g. *maquilas*) (Tussie 2009). Mexico signed with Canada and the US the North American Free Trade Agreement or NAFTA. The DR-CAFTA (*Dominican Republic-Central America Free Trade Agreement*) is a free trade agreement encompassing the US and the Central American countries of Costa Rica, El Salvador, Guatemala, Honduras, and Nicaragua, and the later addition of the Dominican Republic in 2004. On the other hand, the Caribbean Basin has benefitted from multiple preferential trade arrangements, like the Caribbean Basin Initiative (CBI) of 1983.

The objectives of the Southern Common Market, or Mercosur, go beyond a trade agreement. They also encompass a harmonization process in policy areas with the aim of achieving community integration. Yet it was kept in the dynamics of inter-governmental decision-making (unanimous consent) instead of adopting a supranational framework. While this responds to a desire of governments to retain margin of maneuver and autonomy, it directly links the survival of the project to the political and economic cycles of the different States. This tension between the community objectives and the intergovernmental instruments marked the life and vicissitudes of Mercosur (Vervaele 2005). This integration project can be understood as an instrument of *realpolitik* from the Brazilian perspective and as a key for the insertion into the world economy for Argentina (Bernal-Meza 2008). In any case, it has always been perceived by the US as a challenge to its role of regional hegemon.

Testimony of the decline of US influence in South America is the emergence of two more recent initiatives, the Bolivarian Alliance

for the Peoples of our America (ALBA), and the Union of South American Nations (UNASUR). In contrast to Mercosur, which was conceived at the zenith of neo-liberal influence in the region, ALBA and UNASUR were born in the frame of an extensive bottom-up critique of the neoliberal model. Notwithstanding their significant differences, these projects have put social and political issues back at the center of the agenda. They are the reflection of a renewed way of thinking integration and development in South America. In the next section we will explore the change of paradigm in the region and how this new way of thinking development affects the evolution of regional integration projects.

Regionalism under the ‘Washington Consensus’ and Regionalism under the ‘Buenos Aires Consensus’

During the 1980s and 1990s Latin American governments were at the pinnacle of the neoliberal restructuring. The axioms of the Washington Consensus (WC) emerged as a response to the key problems of the time. Financial problems and debt brought about the perception of the failure of the import substitution model as a boost to economic development. The WC prescriptions were concerned with the control of inflation and the reduction of fiscal deficits in order to achieve macroeconomic stability. Capital ought to be liberalized and economies should be opened to the world while domestic product and factor markets had to be liberalized through privatization and deregulation.

Argentina and Brazil embarked into changes in their paths of development. Mercosur was seen as a way to address the challenges of economic globalization and to develop their economies. Established in 1991 with the Treaty of Asunción, and encompassing

Argentina, Brazil, Paraguay and Uruguay, Mercosur is in Paul Kellogg's words, 'a creature of the Washington Consensus' (2007, p.194). With liberal governments in power, the integration process was in line with what has been called *open regionalism*,² that is, open and driven by global market. In that sense, Mercosur was meant to promote foreign trade and attract investments. Moreover, it was intended to help achieve economies of scale, potentiate comparative advantages and promote efficiency in production (Gomes Saraiva 2010).

Old agreements like the Central American Common Market (CACM) and the Andean Pact were revamped and aligned to open regionalism (Tussie 2009). Yet the institution that most incarnated the neoliberal dogma was the North American Free Trade Agreement (US, Canada and Mexico), or NAFTA, which evolved from the Canada-US Free Trade Agreement (CUFTA). NAFTA, emerging directly from the logics of US hegemony, was in its turn supposed to evolve into a hemispheric Free Trade Area of the Americas (FTAA). This ambition finally wrecked at the 2005 Summit of the Americas in Mar del Plata, Argentina, where South American leaders openly expressed how their views diverged with those of President Bush. In fact, the socio-political dynamics observed in many countries of the region since the beginning of the 21st Century promoted alternative approaches to development and different views of what to expect from integration projects.

The devaluation of the Brazilian currency in 1999 had serious effects on the Argentine economy and thus, pushed Mercosur into

² The concept of 'open regionalism' was defined by the Economic Commission for Latin America and the Caribbean (ECLAC) in the early 1990s as a process that sought to reconcile the integration policies resulting from free trade agreements and the interdependency resulting from trade liberalization and market conditions in general (Gudynas 2005).

crisis. However, this crisis was much more than monetary matters; it was a crisis of a model. The events of 2001 in Argentina are a symbol of the need for change. As income concentration, inequality and marginalization deepened; and as middle classes shrank, new social movements emerged to articulate popular demands for inclusive policies. As a consequence, Latin America observed the emergence of left-of-centre governments that came into power in a context of great delegitimization of political parties, social turmoil, financial crisis, unemployment and, in short, the disrepute of the whole model that dominated the previous decades.

The support of Brazil to Argentina in the crisis of 2001 showed the strategic choice of the former towards Mercosur – which in turn strengthened Argentina's position. That year Phillips wrote:

The nature of regionalist governance [in South America] is being redefined, along with its relationship with the global reorganization of capitalism, and [...] this redefinition reflects the emergence and crystallization of a new political economy of development (2003, p.566).

The signature of the *Buenos Aires Consensus* by Presidents Lula da Silva and Nestor Kirchner, on the 16th of October 2003, symbolizes the start of a new era of regional dynamics in South America. The document meant to be a counterpoint to the Washington Consensus and expressed the commitment of both presidents to bolster economic development and to work for a more equitable distribution of wealth. Citizen's wellbeing, freedom and social justice were at the centre of their concerns. Argentina and Brazil also agreed to have a common position in relation to international institutions – based on shared traditions and values –

and to fulfill their international commitments, but not at the cost of jeopardizing social and economic development.

Many scholars identify the election of Chavez in Venezuela, in 1998, as the opening of a new cycle for the left in Latin America.³ The launch of the World Social Forum in Porto Alegre in 2001 and the election of Lula da Silva and the Worker's Party (PT) in 2002 can also be considered significant benchmarks. Left or left-of-centre governments were established in Argentina, Uruguay, Bolivia, Ecuador, Chile and Paraguay. In this frame, projects of regional integration sought the consolidation of shared approaches. They brought back the issue of social inequalities to the agenda and offered alternative paths of greater autonomy from the US. Examples of this shift include the ALBA, the expansion of the Mercosur,⁴ the creation of UNASUR in 2008, and the establishment of the Bank of the South (*Banco del Sur*) in 2009.

With a combined PBI of US\$3,886,780 million (the fifth economy of the world, if taken together), being the first world food producer and exporter, and having a population of more than 380 million people which speak the same language (or a very similar

³ See for example Panizza 2009; Macdonald & Ruckert 2009; Castañeda 2008; Sader 2008. Other scholars place the turning point as early as 1989, with the Venezuelan *Caracazo* – as the first insurgency against neoliberal adjustment policies in Latin America – (Beasley-Murray 2007; Lomnitz 2006, cited in Ardití 2008), with the Zapatista uprising in 1994 (Barret et al. 2008) or in 2001, with the fall of Argentinean president De la Rúa in December 2001, and the chant “Que se vayan todos!” (Out with them all!) as an “iconic moment of this backlash against politics and politicians associated with the failures of neoliberal adjustment policies” (Arditi 2008, p.65).

⁴ Mercosur became a tool for progressists to resist neo-liberalism and foster and socio-political agenda instead of promoting market goals (Tussie 2009). Hugo Chavez said in 2005: ‘We need a Mercosur that prioritizes social concerns, we need a Mercosur that every day moves farther away from the old elitist corporate models of integration that look for... financial profits, but forget about workers, children, life, and human dignity’ (cited in Paul Kellogg 2007, p.195). In 2006, Venezuela joined Mercosur as associate member.

one), the potential of UNASUR is enormous. The next section will examine some of its gains and the challenges ahead.

Opportunities and Challenges for UNASUR

The first Summit of South American presidents was held in Brasília in 2000, at the time of Cardoso's presidency. In the third summit, held in Cuzco (Peru) in 2004, twelve nations (including Guyana and Suriname) formed the South American Community, which finally evolved into the Union of South American Nations, established in Brasilia in 2008. The first designated Secretary General was the Argentine ex-President, Nestor Kirchner, who took functions in May 2010.

The Constitutive treaty of UNASUR clearly expresses the necessity of integration and unity in order to promote sustainable development and, in the most unequal region of the world, to fight against poverty and inequality. The ambition is not only to learn from and integrate the gains of Mercosur and CAN, but to be able to innovate beyond them in a way that promotes political dialogue and inclusive social and human development. In the words of Kellogg 'the UNASUR represents the assertion of newly confident governments in the region, for the first time in a generation able to envisage economic and social development outside of US hegemony, and looking for an alternative path that will allow them greater room for maneuver' (2007, p.209).

So far UNASUR has already guaranteed important gains. The political utility of UNASUR was rapidly put to test by the Bolivian crisis in 2008. After Brazil failed to mediate in the conflict, UNASUR took the lead and Chile's President Michelle Bachelet – at the time *pro-tempore* president of the organization – called for an

extraordinary summit in Santiago. The meeting adopted a declaration expressing full support for the elected President Evo Morales, and called all sides to a peaceful negotiation. Two elements should be highlighted: first, that UNASUR replaced the Organization of American States (OAS) as regional political forum,⁵ thus excluding the US from playing a role in the resolution of regional conflicts. And furthermore, leaders from different political orientations came together to express that the region would not tolerate breakdowns of constitutional democracy.

These messages were also vigorously passed by UNASUR through the role it played responding to the attempted coup in Ecuador in September 2010. While popular mobilization in support of President Correa was a key internal factor that contributed to the failure of the coup, the international condemnation and the support received by the South American nations were essential to further weaken the attempt. An extraordinary meeting of UNASUR rapidly took place in Buenos Aires with the presence of the Presidents of Argentina, Bolivia, Uruguay, Chile, Peru, Venezuela and Colombia (Brazil and Paraguay sent representatives), who energetically expressed disapproval of the events of Quito and solidarity with President Correa. Not only UNASUR succeeded in reacting fast and strongly against the attempted coup, but it also reacted by putting forward the *Democratic Protocol*: an agreement signed by UNASUR's members in November 2010 with the aim of imposing diplomatic, political and economic sanctions to any country that might eventually break the democratic order in the region.

While the OAS is perceived as 'rhetorical' (in the words of President Correa), and 'useless and divided' (in the words of

⁵ OAS headquarters are in Washington D.C.

President Chavez) (Mena Erazo, 2010), UNASUR assumed the task of promoting democracy and dialogue in the region. Its role in the Ecuadorian crisis contributed to the rapprochement of Correa (Ecuador), Santos (Colombia) and Chavez (Venezuela). UNASUR would later play an important role mediating in the Colombia-Venezuela crisis in mid-2010. Again, UNASUR demonstrated that it can bring together leaders of different political postures in the interest of the region. And it is perhaps this versatility or accommodation capacity – in contrast to Chavez-led ALBA – that can make UNASUR successful.

Brazil has vividly encouraged the creation of UNASUR. Under the presidency of Lula, the improvement of relations with Brazil's neighbors and South America's increased economic and political integration were made a priority. While the organization contributes to emphasize the political role that Brazil intends to play within the region, its limited institutional framework provides the country with sufficient space for independent maneuver with external actors like the US and the EU (Gomes Saraiva 2010). Accounting for most of South America's GDP, resources and population, and being an increasingly important global player, it is no surprise that the US and the EU expect Brazil to perform as sub-regional leader, to maintain stability and also to counter-balance the ambitions of Venezuela's Chavez. Although historically Brazil has hesitated to play this role, now with South America as priority and base for its global ambitions, it is better disposed. In this sense, Venezuela and Brazil compete for regional influence.

The Bolivarian Alliance for the Peoples of Our America (*Alianza Bolivariana para los Pueblos de Nuestra América*, or ALBA) is an initiative put forward by Hugo Chavez and established in 2004 as an

agreement between Venezuela and Cuba. Bolivia joined ALBA in 2006, Nicaragua in 2007, Dominican Republic in 2008, and Ecuador in 2009; the same year that the Caribbean nations of Antigua and Barbuda, and Saint Vincent were accepted as members. Honduras had joined in 2008, but as a consequence of the 2009 coup d'état, the Honduran Congress ratified the withdrawal from ALBA in January 2010.

ALBA was launched in response to the Free Trade Area of the Americas (FTAA or ALCA in Spanish) – proposed by the United States – and it advances an agenda that emphasizes social integration and distributional policies. In the words of Ruggirozzi it is an ‘unprecedented attempt to foster a social agenda that is not based primarily on trade liberalization but actually on welfare cooperation and solidarity’ (2010, p.11).⁶ While there is a strong ideological imprint in ALBA and it can be seen as a means for Chavez to export its socialist revolution within the region, the organization represents an important intent to progress on alternative paths of international cooperation. ALBA proposes a different model of development and integration, a socially oriented trade-block or ‘People’s Trade Agreement’ (Ruggirozzi 2010). The organization has channeled some of the grievances of mass movements and symbolizes the social change that led to a search of alternatives to neo-liberalism in Latin American politics. Authors like Al-Attar & Miller even argue that ALBA, with its focus on solidarity, complementarity and eradication of inequity ‘puts forward a cohesive counter-vision of international

⁶ The first agreement between Venezuela and Cuba established, among other things, that Venezuela would deliver oil to Cuba at low prices and Cuba, in exchange, would deploy medical staff and teachers to Venezuela's poorest states, as well as allow Venezuelans to receive medical care for free in Cuba.

law rooted in notions of complementarity and human solidarity' (2010, p.347).

Both UNASUR and ALBA reflect the decline of US influence in the region and the search for a different development model in South America. ALBA has been able to channel to some extent the demands of mass movements for social and human development. UNASUR has shown a less confrontational and more accommodative discourse. It reflects the diverse paths being explored by South American nations in their search for development alternatives.

Post-neoliberalism is still a concept under construction in South America, but it reflects the attempts of left and left-of-centre governments to address the need for a more socially-sensitive model of development. There is a certain level of consensus of the benefits of macro-economic stability and fiscal responsibility together with a wide recognition of the failure of the neoliberal model to address one of the most important concerns of the region: inequality. With (more or less) this platform, many governments in office in the region identify themselves as leftist, progressive or post-neoliberal; launching different attempts of 'democratizing the market', 'nationalizing capitalism' or responding to the popular demands for equity. In the words of Grugel et al., 'the search for alternative development paradigms brings together a pragmatic acceptance of open markets and a more left-wing political and social agenda' (2008, p.509).

The social change and the political search go in hand with new economic and trade dynamics. These reflect the increasing weight of China, the search for new markets and cooperation

agreements,⁷ and the reinforcement of intra-regional economic links. This is the scenario in which UNASUR has to prove to be a valuable and functional actor. UNASUR aims to be a single market, building on the gains of CAN and Mercosur and progressively eliminating all tariffs by 2019. The Bank of the South has been established in 2009 to promote regional independence and endogenous development. With an initial capital of US\$ 20 billion, the Bank was conceived to finance development projects and to promote scientific and technological development with the aim of strengthening integration and reducing asymmetries. There are also important infrastructure initiatives taking place under the umbrella of UNASUR, especially related to the fields of transport (e.g. the *Inter-oceanic Highway*) and energy (e.g. the *South American Energy Ring*), and seeking to render the region more autonomous.

In August 2011, UNASUR made a significant step with the constitution of the South American Economic Council. South American states of different economic ideologies have not only recognized but also materialized the importance of coming together to implement mechanisms to reduce the negative effects of the global economic crisis in the region. The aim of the Council is to promote intra-regional trade, coordinate the utilization of monetary reserves and to strengthen regional financial institutions – like the Bank of the South and the Andean Development Corporation (*Corporación Andina de Fomento*, or CAF) – to be able to rescue countries in difficulty. While UNASUR had so far been interpreted as a political

⁷ For example, the Summit of South American-Arab Countries (*Cumbre América del Sur-Países Árabes*, or ASPA) was put forward as a bi-regional forum for cooperation and political coordination. Promoted by Lula, the first ASPA Summit took place in Brasilia in 2005, the second in Doha, in 2009, and the third was to take place in Lima last February, but was postponed due to the crises of many Arab countries.

organization, it now has the opportunity to show its value in the economic realm.

In addition, UNASUR stills needs to show with actions its commitment for the promotion of citizen's participation and the attainment of an inclusive and equitable social and human development. In other words, the organization has the challenge of translating the political consensus and the promotion of economic policies and regional infrastructure projects into visible gains for the most disadvantaged populations of the region. Latin America has been observing a vibrant socio-political change, one advanced to a great extent by social movements and civil society organizations at the grassroots level. These movements have been reclaiming a different system of governance, one that places human development and the well-being of the majority at the centre of its agenda (Woodward 2010). Having expressed the commitment to the 'promotion of cultural diversity', and the 'consolidation of a South American identity', UNASUR needs to encourage the role that a transnational civil society has in regionalization, that is, in building *regionness* (Hettne & Söderbaum 2000).⁸ At the same time, it should be able to construct a governance model aligned to the values and objectives of a 21st Century regional community.

Conclusion

Globalization and neo-liberalism brought a new impetus in the advance of regional integration projects as a way to operate in a globalized economy and face the challenges of development in South

⁸ Regionalization has been defined by Hettne & Söderbaum as the '(empirical) process that leads to patterns of cooperation, integration, complementarity and convergence within a particular cross-national geographical space [...] Regionalization implies increasing "regionness"' (2000, p.457-458).

America. However, the strictly economic approach to regionalization (in line with the recipes of the Washington Consensus) failed to address social needs and inequality. The model to which most South American countries had adhered collapsed at the end of the 20th Century, and a new wave of bottom-up socio-political change called for a new approach to development. The new elected left and left-of-centre governments in office – in most of the countries of the region – reflected the necessity to advance a development model that does not neglect human development. The inescapable need to address social grievances, the convergence of many of these political leaders and the waning influence of the US in the region led to the creation of regional projects that reflect the new socio-political dynamics.

While the ALBA has been more audacious in the search for an alternative model of regional integration, UNASUR is the first broad and purely South American attempt to bring together heads of State of different ideological lines into a political regional project. All independent South American States are members – the only exemption being the territory of French Guiana. The organization has already replaced the OAS as regional political forum. Now South American leaders came together to create the South American Economic Council – under the umbrella of UNASUR – in order to foster economic integration and counter the effects of the global economic crisis.

It is too soon to take conclusions on the capacity of UNASUR to achieve the objectives defined in its Constitutive Treaty, yet the advances so far are encouraging. Nonetheless, even if the demand for a more inclusive development model has been in the agenda of social movements, civil society organizations and political parties, a South

American post-neoliberal model is still on the making. Region-building in this part of the world has the challenge of promoting the integration of a regional community and a South American identity with its particular objectives and values. This means not only a political alignment and a greater economic autonomy, but also developing a governance framework capable of channeling the yearnings of social movements. Its success in doing so is what may finally transform UNASUR and South American nations from 'rule-takers' into 'rule-makers'.

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