

Regionalism and regional organizations. Exploring the dynamics of institutional formation and change in Latin America

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Abstract

Two elements define regional integration in Latin America: its extension in time and its plurality. Analyses abound regarding the drivers underlying regional cooperation, the specific institutional design, its effects, and impact. However, studies have not yet provided full answers to the question of how regional institutions emerge and change through time in Latin America. To investigate this rather underexplored issue, I contribute a dynamic analytical framework whereby interests and ideas are taken as factors that interact with each other within a specified institutional environment, thus shaping processes of institutional creation, change and development. The argument advanced is that whereas the role of states and presidents remains constant, ideas and existing regional organizations face presidents with either limitations or resources depending on the degree of synergy and convergence between states' material interests and regional ideas and institutions. Based on the particular ideational and institutional configuration, three patterns of change may emerge: creation, conversion, and layering. The paper draws on comparative regionalism and institutionalism

studies and empirically explores more than 25 years of regional cooperation in Latin America. Focus is on the comparative assessment of the Common Market of the South and the Union of South American Nations.

Keywords

Comparative regionalism, institutional formation and change, Latin America, MERCOSUR, regional organizations, UNASUR

Introduction

'Nothing is possible without man; nothing lasts without institutions,' Jean Monnet. Regions and regionalism constitute a relevant feature of global politics (Buzan and Weaver 2003; Katzenstein 2005). In fact, we live in a world of regions; a world, in flux, and one increasingly defined by interactions between regions and regional powers (Acharya 2007). Consequently, understanding how regional organizations change and develop over time is relevant, and becomes more pressing today since regional organizations evince increasing variation in their institutional trajectories.

The literature on regional and international cooperation has provided different explanations to account for the emergence and change of regional organizations. With a strong focus on the European Union (EU), analyses, especially those underscoring (economic) interdependence and institutions as leading to increasing cooperation and authority delegation and thus institutional change, do not seem to travel well to other areas. This is the case for Latin America, where interdependence remains low and unstable, and decision-making is highly intergovernmental. Yet, old regional organizations persist, new ones have been created, and relevant changes have been introduced as cooperation broadens.

From a Latin American perspective, analyses have explored the drivers of regionalism – what motivates states to cooperate at the regional level –, the institutional designs set to achieve regional cooperation, and its effects and impacts. Within the former, presidents are portrayed as playing a fundamental role in the creation and development of regional organizations. In a context marked by intergovernmentalism, where regional organizations are set as institutions with minimal autonomy (Barnett and Finnemore 1999) and low flexibility (Hofmann

and Merand 2012), states are the default drivers and remain as crucial actors. Despite this a priori assumption that interests are relevant because the core states of the region have always designed regional organizations that way, this paper aims to unravel why ideas and institutions matter to understand processes of creation and change in regional organizations in Latin America. Not enough is yet known about the significance of ideas about the region and the institutional environment in shaping regional development and how these operate in practice. This paper intends to fill the gap by proposing a dynamic analytical approach whereby state's interests and ideas about the region interact in specified institutional contexts thus triggering processes of creation and development of regional organizations. I argue that whereas presidentialism remains constant, the latter two factors are subject to change, thus facing presidents with either limitations or resources to enact the creation of regional organizations and their transformation. The underlying assumption is that the more ideas serve the interests of the presidents, the more they will affect these actors' policy and institutional choices. The relevant aspect is 'the degree of fit' and 'synergy' between ideas and actors' interests (Hansen and King 2001: 256) in a particular institutional setting. To fully account for the creation and change of regional organizations we need to consider these three factors in a long-term perspective.

Such a perspective has been neglected in previous studies as these have more closely looked into the creation of new organizations – and the fading of old ones – as the region strode through a new wave of cooperation. Consequently, regional organizations under the old regionalism, the new regionalism and the more recent trends under post-liberal, post-trade or post-hegemonic regionalism are examined as standing alone, and mainly in reference to the immediately

preceding phase. Despite these conceptualizations, actual empirical research on processes of change and development of regional organizations, outside the EU context, remains limited.

To investigate this matter, the paper engages with theoretical debates on comparative regionalism, institutional formation, and change, and builds on the empirical advances in South American regionalism. The main argument is that the changing dynamics of regional organizations result from the ways in which states' interests interact with ideas about the region in a specific institutional environment over time. Thus, it highlights the notion of regionalism as a process, where context and time play a fundamental role.

In the following sections, I first locate the research question within the literature on regional cooperation and institutional change. Section 2 sets the theoretical framework and outlines the methodology and main argument. Section 3 introduces the empirical narrative of the process of institutional formation and change in the Common Market of the South (MERCOSUR) and the Union of South American Nations (UNASUR). Section 4 presents a comparative assessment of the dynamics and trajectories of regional organizations in South America between 1990 and 2015. The conclusions reflect on the approach here proposed and assess its wider relevance for the study of comparative regionalism and institutional development.

What we know about the institutionalization of regional cooperation and governance

Regionalism has been an enduring feature of world politics since the end of the Second World War. However, starting with the 1990s, processes of regionalism

and regionalization expanded just as the world witnessed the end of the Cold War. This quantitative explosion was followed by the extension and enhancement of regionalism as regional institutions sought cooperation beyond trade liberalisation and thus, expanded the breadth and depth of their agendas and policies (Goertz and Powers 2014). Sometimes, memberships also extended. As a result, regional organizations evince a great deal of variation in their institutional trajectories, and growing overlap in terms of members and/or agendas.

Whereas the international relations literature turned to institutionalist analyses to examine the origins, nature and change of international organizations with particular attention on rational choice and sociological traditions (Fioretos 2011), it has largely focused out the specific dynamics of regional institutions beyond those of the EU (Acharya and Johnston 2007). Also from an international relations perspective, regime complexity studies have addressed the increasing proliferation and overlap of international institutions. With a strong emphasis on international and mostly-task specific organizations, this scholarship has delved into the effects of such complexity, i.e., whether it promotes or hinders international cooperation (Alter and Meunier 2009; Alter and Raustiala 2018; Orsini et al 2013). Studies have also explored the driving factors leading to overlap and complexity, including contextual and environmental factors (Alter and Meunier 2009), states' preferences (Van de Graaf 2013; Jupille et al 2012; Morse and Keohane 2014) and historical institutionalism insights (Hanrieder 2015; Hanrieder and Zürn 2017), among others. This literature has addressed these factors in isolation to study international rather than regional organizations, which usually constitute multi-purpose organizations and are structured on a territorial rather than a potentially global rationale (Panke et al 2020).

With the advent of regional cooperation in the post-World War II scenario, different theories emerged to study regional institutions. With an emphasis on the experience of the EU, (neo) functionalism argues that states create regional institutions to deal with common problems that cannot be effectively tackled at the national level (Haas 1958). Once established, change mainly occurs through 'spill over', i.e., the extension in the policy scope or the increasing level of authority. Functional, political, and cultivated spill over is underscored as the cause for further regional cooperation, establishing thus a close relationship between institutions and further integration (Nye 1970; Schmitter 1971). Yet, rather than explaining 'the birth of regionalism schemes' (Hurrell 1995b: 60) or variation across institutional development, focus was more on the factors that helped or hindered the process of regional cooperation. Liberal and liberal institutional and intergovernmental approaches portrayed (economic) interdependence and shared mutual interests as a necessary condition for regional cooperation. From a rationalist stance, these approaches explained regional cooperation through a basic cost-benefit analysis of states' interests. With an emphasis on the demand and/or supply for regions, institutional change is understood as an outcome of enhanced interdependence driving the demand for the enactment of stable, formal overarching rules and norms to settle conflicts and disputes (Keohane 1984; Mattli 1999; Moravcsik 1993). Based on these norms and rules, institutions then facilitate consultation and coordination and the pursuit of common objectives (Hofmann and Merand 2012: 139).

These assumptions do not seem to travel to Latin America. Firstly, when examining 'old' integration initiatives in Latin America in the 1960s, (neo-) functionalism found that the two main factors leading to political integration were

missing, namely spill-over and build-up (Schmitter 1969). Moreover, from a functionalist perspective, whereas there is no reason to expect much variation in institutional development since states face similar types of cooperation problems (Acharya and Johnston 2007: 2), regional organizations are thus expected to operate under a supranational mandate. However, regional cooperation has not led to the creation of supranational institutions in Latin America. Decision-making and processes remain highly intergovernmental, and states are key actors in regional governance. Secondly, from a liberal institutionalist approach, as interdependence grows one would expect more institutionalization. Yet, economic interdependence has traditionally remained low, showing vicissitudes across time in the region. Still, old regional organizations persist, new ones have been created, and relevant policy and institutional changes have been introduced. Thus, the experience of Latin America contests the notion of regionalism as a linear process as emphasised by functionalism; in practice, this is hardly the case: 'increased cooperation happens in stops and starts; it is partial and contested' (Hofmann and Merand 2012: 144). Furthermore, the objective of regional cooperation in the Global South is not the liberalisation and regulation of intraregional trade, but rather to improve their competitiveness on global markets, including trade and investments. Therefore, member states 'face cooperation problems that are fundamentally different from their counterparts in economically well-developed regions like Europe' (Krapohl 2019: 841).¹

Moving away from the Eurocentrism contained in this first generation of regional studies, new regionalism theories challenged the rationalist bias and the centrality of states as primary actors. New regionalism drove attention to both state and non-state actors and formal and informal regional mechanisms, which

were also deeply related to the international context (Hettne and Söderbaum 2000). In a sociological or constructivist frame, studies emphasised the role of shared values, beliefs, and practices in shaping the creation and transformation of integration projects (Hettne and Söderbaum 2000; Murphy 1991), thus moving beyond the exclusive focus on formal institutions. Yet, in so doing, they 'might have underestimated the resilience of the state, or have been too quick to predict its demise' (Acharya and Johnston 2007: 10). Moreover, this approach has tended to disregard the institutional design of regional organizations (Acharya and Johnston 2007: 30), thus also neglecting institutional dynamics of change.

From a Latin American perspective, scholars have provided compelling analyses on the external and internal drivers of regional organizations. Pressures stemming from the international (political and economic) order and external actors are portrayed as the two main exogenous drivers. Thus, the end of the Cold War and increasing integration and globalisation are usually taken as the dividing lines between the old and the new regionalism of the 1990s (Fawcett 1995). Similarly, regional initiatives established around the turn of the 21st century and in the mid-2000s are also characterized as an attempt to respond to the regional and global transformations resulting from the increasing discrediting and delegitimization of neo-liberal policies as framed by the Washington Consensus (Sanahuja 2010), or to the 'partial displacement of dominant forms of US-led neoliberal governance' under post-hegemonic institutional contours (Ruggirozzi and Tussie 2012: 12). The EU and the United States figure more predominantly as external influences (Grugel 2004). Regime change towards democracy (Dabène 2009; Gardini 2005; Hurrell 1995a) and presidents and interpresidentialism (Malamud 2003) are taken as the most relevant domestic political factors driving

regional cooperation, especially in the 1990s. More recent regional initiatives are also explained by the role of Left-leaning presidents (Veiga and Rios 2007), and the competition for regional leadership (Burges 2007; Giacalone 2013). However, and paraphrasing Malamud (2003: 64), it could be argued that in the context of intergovernmental organizations, presidents and presidentialism is the 'one element omnipresent' throughout the history of regional organizations. Presidents and presidentialism are crucial factors driving the setup of regional organizations and their later change and development.

The role of presidents is further strengthened by the intergovernmental character of regional organizations. Firstly, regional organizations are setup with a minimal autonomy. Building on Barnett and Finnemore (1999), it can be contended that to the extent that they are not established as bureaucracies, regional organizations in Latin America do not become authoritative and autonomous on their own right vis-à-vis states – their legal creators. Secondly, intergovernmentalism constitutes an institutional architecture showing low flexibility, and as such, is unable to accommodate differences as all members feel 'forced to belong to the entire club' (Hofmann and Merand 2012: 137).²

Despite the undoubted relevance of presidentialism, I argue that the role of presidents needs to be further spelled out in relation to two other factors: the idea about the region and the institutional environment. Whereas presidentialism remains constant, the latter two factors are subject to change, thus facing presidents with either limitations or resources depending on the degree of synergy and convergence between states' material interests and regional ideas and institutions.

Looking into regional processes of institutional formation and change: Framework, method, and argument

Definitions and interpretations of institutions and the regional proliferate. In the international relations scholarship, institutions refer both to 'formal organizations, with prescribed hierarchies and the capacity for purposive action', and to regimes based on 'complexes of rules and organizations, the core elements of which have been negotiated and explicitly agreed upon by states' (Keohane 1988: 384). Institutions have also been depicted as including formal and informal rules, and state and non-state actors. For the sake of clarity and consistency, in this paper regional institutions refer to formal, legal-political organizations involving members based on their geographical delimitation: they are composed of states that belong to or perceive themselves as belonging to a region (Hurrell 1995b). In short, institutions defined as formal-state based organizations are at the centre of the analysis, and institutional change refers to the creation or transformation of these formal, legal-political regional institutions.

To unpack the dynamics of regional processes of institutional formation and change, I draw on a dynamic approach that combines states' interests with ideas and institutions. Certainly, institutional, ideal, and material factors are elements much-needed for understanding the complex world of regionalism (Laursen 2010). The joint analysis of the reciprocal influences and interactions of these three factors is fundamental to explain the start-up and development of regional organizations, being this an underexplored issue in the literature until very recently. Ideas and beliefs about regions and regional cooperation, institutional environments and core states are the main drivers to explain regional histories and trajectories (Fawcett 2015). These three elements direct and influence the

establishment of regional organizations and initiatives, and once established, they 'continue to shape and mould the direction of regionalism' (Fawcett 2015: 47). This is certainly a relevant contribution unravelling the relevance of these three 'I's' for the analysis of region-building and regional cooperation; yet it remains unclear when and how different constellations of these various factors may produce particular institutional outcomes.

These elements constitute the conceptual skeleton from which to develop a more detailed account of the processes of institutional change, and to go 'beyond comparative statics' (Thelen and Steinmo 1992: 16) and linear stages models. This paper argues hence for adopting a dynamic approach whereby state's interests and ideas about the region are taken as factors that interact in specified institutional configurations leading in turn to different patterns of institutional change across time.

States' interests matter for driving and directing regional processes, especially in a context in which regional organizations are mainly set as intergovernmental mechanisms and frameworks, where consensus and even unanimity is the rule. This is in line with the literature on regionalism that ascribes a fundamental role to states (and presidents) as leaders, promoters, or drivers of regional cooperation processes. Foreign policy, including regional cooperation, rests largely in the hands of the executive branch; this is particularly prominent in South America where presidents have historically played an overwhelming role in foreign policy. States' interests provide leadership and drive regional cooperation, either by promoting the establishment of an organization, its institutional design or by directing its policies (Fawcett 2015). Transformation and change in regional

organizations depend on states' interests and state agency (Hofmann and Merand 2012: 140).

The *ideas about the region and regionalism* refer to how regional cooperation and integration are defined and constructed, their contours and objectives. This echoes the notion of regions as socially and politically constructed and regional policies and institutions as a reflection of such ideas (Fawcett 2005; Hurrell 1995b: 38–39). Ideas about regions and regionalism work as 'programmatic beliefs', which influence actors' policy and institutional choices by providing them with a conceptual repertory that shapes the definition of problems and their policy responses (Berman 1998). Ideas do not provide 'total visions of the world' as ideologies do³ but rather 'the ideational framework within which programs of action are formulated' (Berman 1998: 21). Ideas condition and constrain what is possible and acceptable (Fawcett 2015); i.e., they frame and guide the policy choices of actors and provide legitimacy to political action.

In the case of Latin America, what the region is and what the region is for has been clearly associated to the model of development as countries sought both to enhance sovereignty and their insertion in the international arena (Riggirozzi and Deciancio 2018). The debate regarding the political economy of development, however, has been marked by a tension between state-led, internal market strategies and market-led export approaches, or put in other words, between the classical free trade paradigm and the structuralist approach intended to transform the productive structure of the economy (Kingstone 2018). These two different and contending approaches have worked as programmatic ideas and have thus provided policymakers with guidelines or roadmaps to 'formulate responses to particular challenges' (Berman 1998: 21).

Finally, the wider *institutional environment* refers to the context provided by already existing organizations (Hofmann 2011). The creation, continuity and change of regional organizations in an increasingly institutionalized world, cannot be analysed without reference to existing institutions. These may serve as templates or models, and thus constrain the possible range of options (Peters 1999) and limit actors' behaviour and strategies. Contrariwise, existing institutions may also work as strategic sources, providing impetus for new regional arrangements. Additionally, and given that 'unlike states, regions and regional arrangements can overlap' (Van Langenhove 2012: 27), regional organizations should not be explored in isolation. The assumption underlying this framework is that states, i.e., presidents, play a crucial role in the 'translation' of programmatic ideas into actual policy decisions (King 1992), and concurrently, this translation operates within a specific institutional environment. Ideas are useful to explain not only the creation, but also change and continuity in institutional contexts (Schmidt 2010), whereas already existing institutions will at least define the channels and mechanisms by which ideas are translated into policy or institutional change (Hall 1992).

Ideas, however, do not exist in a vacuum, nor do they by themselves bring policy or institutional change. The influence of ideas and their translation into policy and institutional decisions is more likely when there is a synergy or convergence between interests and ideas, i.e., 'when actors believe that taking up these ideas will serve their interests' (Hansen and King 2001: 262). The idea of constraint and resource relates to the extent to which there is a synergy and convergence between states' material interests and the ideas about the region. In fact, the 'impact of ideas is maximized when they serve individual interests'

(Hansen and King 2001: 239), which adds to the ‘degree of individual enthusiasm displayed by actors involved in determining and implementing policy’ (Hansen and King 2001: 257) and time as discussed later. Agency is needed to frame the understanding of the region and what regional integration is for; in other words, states, i.e., presidents, need to provide an account of what is going on and what needs to be done.

Regional organizations are not set in stone. A dynamic component is part of their DNA and organizations are, consequently, always vulnerable to transformations and shifts. Processes of institutional change are not always abrupt and sharp, neither necessarily only incremental. They can in fact, take multiple forms. The crucial part of the analysis of processes of institutional setup and change at the regional level is assessing whether and how ideas and institutions work as hindrances or as resources that are used (or not) to produce institutional changes. The analytical framework then explores how states’ interests interact with specified ideational and institutional configurations at a particular moment, leading to different patterns of institutional change. Overall, this paper suggests three broad modes of change in regional organizations: creation, conversion and layering as depicted in Table 1.⁴ I discuss each of these modes below.

Table 1. Patterns of institutional creation and change in regional organizations

	<i>Institutional environment as constraint</i>	<i>Institutional environment as resource</i>
<i>Ideas about the region as constraint</i>	Institutional status quo	Institutional layering
<i>Ideas about the region as resource</i>	Institutional creation	Institutional conversion

Source: The author.

First, the *creation* of a brand-new regional organization is more likely to occur when states perceive *ideas about the region as a resource and the institutional environment as constraint*. In this context, everything is set for the creation of a new regional organization, which in turn, entails the displacement of already existing organizations (Streeck and Thelen 2005: 19–22). These organizations, created at different points in time and in response to different ideational and institutional environments, are discredited or pushed to the side since they are perceived as being no longer adequate to promote regional cooperation. Rather than revision or amendment of existing organizations, this type of institutional change leads to the establishment of new alternative institutions, more in line with the way in which the idea of region is framed, and which is actively cultivated by state actors since their interests are better served by this ideational framework.

Secondly, *conversion* occurs when states perceive both *ideas about the region and the existing institutional environment as resources*. Rather than a comprehensive redefinition, under this ideational and institutional configuration states will more likely attempt the conversion (Thelen 2003) of existing

organizations. Conversion entails hence redirecting an already existing institution towards new goals, functions, and purposes (Streeck and Thelen 2005: 26–29). States will more likely reform or change the scope of the regional organization as they broaden its agendas to serve new goals and fulfil new tasks. This type of change entails the creative extension and remodelling of institutional arrangements to adapt existing organizations. It also requires agreement among states who need to see this relevant and the old organization as still operational.

Finally, *layering* may occur as states perceive *ideas about the region as constraint and the institutional environment as resource*. Under layering, states perceive a gap between the idea about the region as embodied in existing organizations and that their interests would be better served by adding new institutional arrangements – i.e., rules, agendas, or actors – to already existing regional arrangements. These amendments, additions and revisions can ‘initially be “sold” as refinements of or correctives to existing institutions’ and given that these new layers do not directly weaken existing organizations, they are not expected to lead to strong opposition from those defending the status quo (Streeck and Thelen 2005: 23). However, over time, they may potentially alter the trajectory of the organization’s development, gradually changing its status and structure (Thelen 2003). In all, these amendments do not entail that the new replaces the old, but rather that it is added to it.

These different types of institutional change are not meant to be an exhaustive typology. Yet, they seem to capture some of the most important ways in which regional institutions evolve over time. This typology offers hence a useful starting point to understand the institutional dynamics of regional organizations in South America.

While using hence a comparative approach, two other elements are also fundamental to fully assess when and how different patterns of institutional formation and change occur: process and time. Focus is on the idea of regional cooperation as a 'process' to capture the 'collective of factors that, historically and at present, may contribute to processes of integration' (Fawcett 2015: 35). Time and history are key to explaining institutional development and change as a dynamic process (Fioretos 2011: 371). First, timing and sequence of events strongly shape processes and outcomes in regional organizations as they affect the association between interests, ideas, and institutions. Secondly, analysing institutions in time requires moving beyond the idea of regional organizations as entering and leaving the regional stage, to provide an account of institutional dynamics where time and history work as a thread connecting them.

Methodologically, the paper relies on a qualitative and inductive approach given the relative absence of previous systematic research on institutional change at the regional tier of governance in Latin America. Such an open, flexible, and interpretive strategy was called for to analytically describe and understand how states' interests interact with different ideational and institutional configurations, and how these trigger different patterns of institutional change and development. Moreover, the cross-case analysis involving two regional organizations in different moments provides a good foundation for exploring new insights on regional organizations from different angles and comparing various organizational situations.

Cases were selected purposively. First, focus is on South America. Whereas regionalism and regional cooperation are a common characteristic of Latin American countries, limiting the analysis to organizations in South America allows

for greater control on the institutional environment and relevant historical, social, and political traits. Secondly, within this sub region, I examine MERCOSUR and UNASUR; each of which stands as a representative case of the latest two waves of regionalism in Latin America, namely, the new or open regionalism and the post-liberal regionalism.⁵ Moreover, by comparing these two organizations in South America, I can control for external contextual factors. The analysis covers the period from 1990 to 2015 to contribute more nuanced and comprehensive accounts of how transformations in the perception of existing institutions, the framing of the region, and the interests of states produced particular institutional outcomes.

Finally, the research draws on complementary streams of evidence such as documentary material, including policy and institutional documents, press, and archival materials, and selected secondary sources to pinpoint the relevant steps in institutional development processes.

The shifting sands of Latin American regionalism

Regionalism has pervaded the history of Latin America, which makes this continent an interesting laboratory for studying regional institutional dynamics. Whereas calls for political unity could be already heard during the wars for independence in the late eighteenth and early nineteenth centuries, it is only between 1960 and 1980 that regional projects were set up to promote economic integration rather than political cooperation. Based on protectionism and sealed internal markets, they were functional to import substituting-industrialization and relied on the active role of the state.⁶ Though showing some progress and gains, these regional initiatives languished and were mostly short-lived because of

various constraints as Latin America faced years of crisis and stalemate.⁷ Three decades later, 'open' and 'new' regionalism fundamentally superseded existing regional arrangements by supporting an openness to global capitalism, the transnationalization of trade and production and the progressive liberalisation of markets in developing countries. This new or open regionalism wave is illustrated by the setting up and the relaunching of regional schemes throughout North, Central, and South America and the Caribbean. The initiatives include the revival of CACM, CARICOM, and the Andean Pact, which became Andean Community (CAN, 1997). In South America, MERCOSUR was formally founded in 1991.⁸ With the turn of the 21st century, new institutional arrangements were set to manage trade, investments, infrastructure, security, and social development. Whereas in 1990 only seven major multi-issue regional and sub-regional organizations were in place in Latin America and the Caribbean, by 2012 there were 13 (Börzel 2013). Consequently, Latin American regionalism comprises a complex mosaic of organizations, including complementary and competing ones with overlapping memberships, and mandates and policy areas (Bianculli 2016). How did states' interests play out in relation to particular ideational and institutional configurations during these years? The next sections address this question by analysing the processes of institutional development and change in MERCOSUR and UNASUR.

MERCOSUR and when there is no region for the old

MERCOSUR stands out as the stellar example of the new regionalism that swept Latin America during the 1990s. Yet its origins go back to the mid-1980s, some years before the signing of the constitutive Treaty of Asunción in 1991.⁹

Two main characteristics defined the institutional environment in which MERCOSUR was established. First, there was regional institutions dating back to the old regionalism of the 1950s-1970s. In the case of South America, this included the Andean Community and LAIA, which was set in 1980 to replace a stalemated LAFTA. Whereas CAN and its objective of becoming an economic union had been languishing since the 1970s, LAIA worked as 'an umbrella agreement' providing 'a GATT [General Agreement on Tariffs and Trade] cover' to bilateral and multilateral agreements among members, while also offering limited regional preferences for some goods (Jara and Herreros 2017: 470). Economic cooperation was a key component of these initiatives; yet it was thought of as a defensive posture and as an attempt to change core-periphery relations. A second element referred to the Programme of Trade and Economic Integration (PICE) established between Argentina and Brazil in 1986.

PICE marked a break with existing regional integration initiatives as it entailed the negotiation of trade liberalisation through sectoral agreements to be implemented based on a logic founded on gradualism, flexibility, and stepwise and balanced trade expansion by sectors to avoid specialisation and promote thus intrasectoral integration. It was thus aimed at advancing technological modernization and greater efficiency in the allocation of resources, through preferential treatment toward third markets, and the progressive harmonization of economic policies. Contrary to previous regional projects, PICE was political rather than purely economic project (Cason 2000), and it thus relied on macroeconomic policy coordination as a prerequisite for the creation of a common economic space. Regional integration then was also envisioned as a means for democratic consolidation and development. Yet, neither PICE nor those

institutions pertaining to the 1970s served as template as a new wind of change was blowing across Latin America.

Five years later after the establishment of PICE, states spearheaded the establishment of MERCOSUR. Two new presidents had taken office in Argentina and Brazil between December 1989 and March 1990: Carlos Menem and Fernando Collor de Mello. Especially relevant were the similarities between their policies. Despite being elected on a populist Peronist platform based on large wage increases (*salariazó*), social justice and 'the productive revolution', Menem (1989-1999) undertook a rapid and thorough market reform that included the privatisation of the most important and politically sensitive state-owned companies and trade liberalisation. Collor de Mello (1990-1992) had not been very vocal either about his economic program during the electoral campaign (Gardini 2010). Still, once in office, it became clear that neoliberalism inspired his policies as well. Both administrations were committed to extensive market reforms and thorough trade liberalisation, including import tariff reduction and the elimination of subsidies. This permeated their foreign policies. The Menem administration defined the country's national interest and its foreign policy priority in economic terms,¹⁰ while Collor de Mello's foreign strategy sat very close to this definition. To the extent that states' interests were no longer compatible with the idea of regional integration based on a gradual and selective approach, much attentive to orderly market arrangements to limit and control exports and imports and bilateral deficits, governments would now more strongly exploit to their benefit the idea of the region as catalyst for these countries' successful insertion in the global economy in an unsupportive institutional environment. By the early 1990s, existing regional institutions corresponded to what was now perceived as an

outdated and exhausted idea about the region and their role, being this specially marked in the age of global capitalism and increasing trade and financial interdependence. By actively promoting and supporting this idea about the region and regionalism as a springboard for entering international markets and for being able to compete in the world economy, Collor de Melo and Menem 'substantively altered the parameters of bilateral integration' (Cavarozzi 1998: 13), and thus, of regional cooperation. In 1991, the Treaty of Asunción established a schedule for a progressive, linear, and automatic tariff reduction, which also included Paraguay and Uruguay. The final objective was the creation of a common external tariff and the adoption of a common trade policy towards third parties and a shared stance in international economic arenas, which added to the free circulation of goods, services, and production factors, as well as the elimination of all tariff and non-tariff barriers among member states.¹¹ These presidents successfully advocated the idea that regional cooperation was no longer devised as a protective strategy, but rather as 'an assertive instrument of competitiveness at the global level' (Gardini 2010: 87). Certainly, there was ample room for new institutions emphasising this idea of region and what regional cooperation meant. The creation of MERCOSUR reflected a more pragmatic approach to regional cooperation based on market-oriented agendas and a more open and wide-ranging strategy of regional trade liberalisation as a mechanism to address the competitive challenges posed by accelerating globalisation and liberalisation.

MERCOSUR and the expansion into uncharted waters

Set in 1991 as a project aimed at establishing a common market with a common external tariff and the coordination of macroeconomic and sectoral policies, by the

end of that same decade MERCOSUR faced a 'terminal' crisis. The relationship between Argentina and Brazil deteriorated largely because of the abrupt devaluation of the Brazilian currency in 1999. Though incompatible with MERCOSUR rules, Argentina would then react by imposing customs barriers on its products as it attempted to respond to the negative effects on the country's economy and to compensate for the disparities in the exchange rate between the two partners.¹² As a result, a series of trade disputes and a fall in intra-group trade put MERCOSUR at risk (Esnal 1999). In late 2001, another crisis shook the regional process when Argentina suffered an extraordinary economic, political, and social breakdown. What was proclaimed as the demise of MERCOSUR, gave in fact the bloc 'a new lease of life' (Saraiva 2010: 159).

The institutional environment comprised a range of regional and subregional initiatives, representing a diversity of objectives and operating at a variety of levels, which resulted in a complex and dense institutional setting. As the new century advanced, the region faced the negotiation of what could have been the world's largest free trade area encompassing all countries in the Americas, with the only exception of Cuba. After a four-year preparatory phase, along which the institutional procedures and structures were defined through a dense routine of meetings, formal negotiations for the Free Trade Area of the Americas (FTAA) were launched in Chile in 1998. The year 2005 was set as the deadline for ending all negotiations. However, this deadline was not met as negotiations dissolved and finally, came to a halt that same year. Discrepancies became already apparent in the early 2000s, leading the United States to target at least one country in each of the regional organisations in the Americas to set bilateral free trade agreements (FTA): CAN, MERCOSUR, the Caribbean Community, and the Central American

Market. These were 'resolved to contribute to hemispheric integration and provide an impetus toward establishing the Free Trade Area of the Americas.'¹³ Already in 2003 negotiations for an FTA were underway with Colombia, Ecuador, and Peru, thus creating commercial and political tension within CAN and weakening the regional bloc. These tensions further escalated as Venezuela, under the lead of Hugo Chavez (1999-2013), intended to realize the 'dream of Simon Bolivar': the creation of the Union of America. The project began with Cuba-Venezuela Integral Cooperation Agreement (2000) and was formally established through the Bolivarian Alliance of the Americas (ALBA) Integration Agreement signed in 2004. ALBA emerged as a response to the FTAA and operated as an alternative to the US trade-led model of regional cooperation. Concurrently, the first movements toward the creation of what turned out to be UNASUR began. After lingering for more than five years, the process was relaunched following Brazilian president Fernando Henrique Cardoso's (1995-2003) proposal of creating the South American Community of Nations (SACN), which was formally institutionalized in 2004, after the free trade pact between CAN and MERCOSUR and coinciding with the establishment of ALBA.

Already in the initial years of the 2000s, MERCOSUR was the institutional framework to stage the alliance between Argentina and Brazil, thus bolstering the position and standing of the former in the regional and international contexts after the severe 2001 crisis (Rebossio 2002). The depth and brutality of the crisis affected Argentina's self-perception of its relevance and position in the regional and international context: its foreign strategies moved away from the United States, and came closer to Brazil, reflecting 'a convergence of foreign policy or "strategic" incentives' between the two governments (Gómez Mera 2005: 129).

Finally, this convergence was reinforced by certain shared socio-political affinity between Néstor Kirchner (2003-2007) and Luiz Inácio Lula da Silva (2003-2011). Both leaders campaigned on a platform of scepticism toward neoliberalism, and of alternative political, economic, and development policies at the domestic level where the state was to play a central role. Contrary to his also Peronist predecessor Menem, Kirchner promoted a strong statist rhetoric, which coincided with Lula da Silva's call for a strong presence of the state and the implementation of social programs (Kingstone 2018: 106). In all, they shared 'similar views on the domestic model of economic development' (Russell and Tokatlian 2016: 25). This resonated at the regional level as they would both recover and reinforce 'an "industrialist" view of integration' (Russell and Tokatlian 2016: 25). This idea about the region and regionalism entailed replacing the previous emphasis on economic and trade liberalisation by strengthening cooperation in monetary, financial, and energy issues (Veiga and Rios 2007), and in the political, social, and productive (i.e., regional industrialization) dimensions of regionalism. This narrative also emphasised the central role of states, and the participation of social actors to enhance its legitimacy. In addition to underscoring the return of the social and development program, a positive agenda of integration gained centrality, including the creation of institutions and common policies, all of which was to enhance the autonomy and international standing of member countries in a multipolar world.

This regional narrative was in line with the turn-of-the-century crises that seemed to mark the end of neoliberalism in the region as countries increasingly questioned the value of trade liberalisation, market-oriented reforms, and (de)regulation. The crises revealed the limits of the neoliberal model and the need

to expand the developmental, redistributive, and social welfare role of states. Thus, the state, development and politics made a comeback both at the domestic and regional levels. Both MERCOSUR and this idea about the region worked as a resource for state actors. This material, ideational and institutional configuration had important implications as states, i.e., Argentina and Brazil, would pursue strategies of conversion, refashioning MERCOSUR from within.

After several meetings and joint declarations, Kirchner and Lula signed the Buenos Aires Consensus in 2003, which stood in opposition to the, until then, dominant Washington Consensus. Along with emphasising democratic consolidation, the document underscored regional cooperation to combat poverty, unemployment, social exclusion, and illiteracy, and to promote health and education, among other social objectives, all of which called for an active role of the state. Strengthening MERCOSUR required the improvement of regional institutions – both economic and political – and the incorporation of new countries. Regional integration was also deemed as a strategic option and fundamental tool to support member countries in their insertion in the world, and to assert their own influence and be active players in the shaping of globalisation and global rules.

Without reformulating the foundational treaties, states benefitted from this ideational and institutional configuration to reinterpret existing rules and reframe MERCOSUR towards new objectives and purposes, i.e., political participation, development, and social policies. Already in his inaugural speech as president, Kirchner emphasised the country's 'strategic alliance with MERCOSUR' and the need to deepen the bloc 'towards other institutional aspects that should accompany economic integration'.¹⁴ Moreover, based on the idea that free trade was not enough to deepen regional integration as argued by Marco Aurelio Garcia,

Special Adviser for International Affairs of the Brazilian Presidency (2010), MERCOSUR's trade cooperation was complemented with the incorporation of social and productive dimensions. Building on this, MERCOSUR announced the Fund for MERCOSUR Structural Convergence, its first redistributive policy in 2004. The establishment of the MERCOSUR Parliament in 2005 offers the clearest illustration of this new commitment with the political and institutional dimension of regional cooperation. Similarly, the creation of the program 'We are MERCOSUR' and the MERCOSUR Social Summits was to strengthen the role and participation of civil society. From a strictly social policy dimension, a Council of Ministers of Social Development was established in 2005, and the MERCOSUR Social Institute was set up in 2007 to provide technical assistance in the formulation of regional social policies and to elaborate a Strategic Plan of Social Action to reduce poverty, redistribute wealth, promote social justice, and regulate market institutions. Contrary to the 1990s, when the 'liberal' framing of the region entailed the creation of a completely novel institution as was then MERCOSUR, in 2003 rather than establishing a new organization or maintaining the bloc's institutional status quo, MERCOSUR was preserved and converted and redirected towards productive, social, and political goals and institutional mechanisms adapted to serve these new purposes, triggering thus a process of institutional conversion.

UNASUR and the blending of something old, something new

UNASUR was a regional organization in the making for more than 15 years. It dates to 1993 when Brazilian President Itamar Franco (1992-1994) proposed the establishment of a South American Free Trade Area (SAFTA) with the objective of creating free trade between the countries of CAN and MERCOSUR. His successor,

Cardoso, took this initiative a step further by leading the establishment of SACN. Whereas free trade and liberalisation was preserved, SACN was devised as a more comprehensive regional scheme embracing political cooperation, security, physical infrastructure, and energy. SACN became UNASUR in 2008.

By the time UNASUR emerged, the institutional environment included CAN, MERCOSUR, and ALBA, each pertaining to a different phase of regional cooperation in Latin America. Since the early 2000s, CAN had been undergoing limited dynamism because of member states' reluctance to implement already agreed trade commitments, and their quest for unilateral initiatives with third partners, i.e., the United States and the EU. The bloc was further debilitated when Hugo Chavez decided to pull Venezuela out of CAN in 2006 and apply instead for membership in MERCOSUR. Chile, on the other hand, re-joined CAN as associate member. Both CAN and MERCOSUR had coexisted with relative ease and the two had signed three Economic Complementation Agreements in 2004 as a step forward towards an FTA and the objective of phasing out all tariffs between them within 15 years. This coexistence was framed under a political declaration of 'regional association' that granted CAN and MERCOSUR countries mutual associate membership status. By 2003, MERCOSUR underwent a process of institutional conversion towards productive, political, and social agendas. Finally, by 2008, ALBA was promoting a regional agenda that relied strongly on social integration, distributional policies, i.e., health and education, and political matters.¹⁵ The institutional environment was dense and variegated in scope and orientation.

By then the region witnessed the vanishing of the 'liberal convergence' of the 1990s and the emergence of divergent strategies between revisionist and more open governments (Veiga and Rios 2007). The pink tide or Left/Left of Centre

wave brought to power governments that supported the search for alternatives to the more orthodox neoliberal economic policies, both at the domestic and regional levels, and championed the return of the state in social and development policies; though large and significant differences remained within the Left.¹⁶ Countries on the Pacific rim, conversely, still supported more liberal and market-oriented policy agendas, including deep integration through trade liberalisation.¹⁷ These differences reverberated at the regional level, where competing interests between Lula da Silva and Chavez were a relevant factor (Burges 2007). Yet, the interests of other countries should also be considered, i.e., Argentina.

In a context marked by the failure of neoliberal policies and the open regionalism paradigm, the idea about the region and regionalism was redefined based on the assumption that free trade was not enough, and that regionalism should now be directed towards the negotiation of social and political agendas. By 2008, this framing of the region added to another idea based on a revival of the ideal image of a united region (the so-called '*patria grande*') to promote members' goals in development, politics, and security. Regionalism and regional integration became hence a key factor to ensure 'autonomy' (particularly in relation to the United States), and to transform the region into a relevant political player in the international scenario. This notion's rationale and legitimizing narrative was defined as 'anti' or 'post' neoliberal discourse (Sanahuja 2012), while also emphasising a common South American history and identity (Palestini and Agostinis 2018).

These different interests and understandings and framing of the region worked as a constraint for state actors; yet the institutional setting allowed some margin of manoeuvre. Under this institutional configuration, UNASUR would result

from a compromise between these different interests and notions of the region. States would thus promote a process of institutional transformation from SACN to UNASUR in which new elements and arrangements were layered upon the pre-existing regional scheme.

Both Brazil and Venezuela intended to give UNASUR a political and regional development profile, though they differed in how this should translate in practical and institutional terms. Whereas Chavez was interested in making UNASUR an alternative to what he perceived as the neoliberal approach in CAN and MERCOSUR (Briceño Ruiz and Gomes Saraiva 2010), for Lula da Silva UNASUR should work as an umbrella organization bringing together CAN and MERCOSUR (Sanahuja 2012: 11). However, other 12 South American countries were involved in the institutional transformation of UNASUR. Argentina, a key partner of Brazil in MERCOSUR, had resisted the 'South Americanization' of regional integration as envisaged by different Brazilian administrations since 1999. This reluctance is explained by Argentina's interest in defining and exercising its own regional agenda in multiple arenas of dialogue and cooperation – without major restrictions of its own foreign policy goals. Yet, in 2008 Argentina agreed to the UNASUR Constitutive Treaty, thus supporting Brazil's intergovernmental, flexible, and low-level institutionalization approach to regional integration, while rejecting Venezuela's (and Ecuador's) proposal of promoting a supranational organization, endowed with legal personality and with full capacity to exercise rights and duties in the international arena (Giacalone 2013). The variable geometry established in UNASUR also reflected Argentina's main desire that the new organization would not jeopardize its foreign policy autonomy, and the Kirchnerista administration's

perception of the new regional organization as a way of exercising intellectual leadership in the definition of UNASUR agenda (Nolte and Comini 2016).

All these elements configured UNASUR as the result of a process of institutional layering. First, rather than rejecting or competing with existing institutions in South America, UNASUR capitalized on trade-led initiatives dating back to the old and new regionalism eras. The preamble of UNASUR's Constitutive Treaty acknowledged that integration in South America should be achieved 'through an innovative process, which includes all the accomplishments and progress achieved so far by the MERCOSUR and CAN processes, as well as the experiences of Chile, Guyana and Suriname.'¹⁸ Secondly, UNASUR added new layers of cooperation, including energy, infrastructure and physical integration, defence, social policies and finance, being this founded on social inclusion and on reducing asymmetries as one of the essential priorities of the new organization. In all, the most innovative institutional development of UNASUR refers to the institutional layering: the organization built on existing trade frames, while new agendas were added to these pre-existing institutional arrangements. Whereas the interests of Brazil and Argentina were served by keeping the trade component, democracy promotion, physical and infrastructure integration, Venezuela (and Bolivia and Ecuador) perceived their interests were better served by adding these social, productive, and political agendas.

The process of institutional formation and change in South America

The empirical narrative confirms that states and presidents are the default drivers and remain as crucial actors in processes of institutional formation and change in

Latin American regionalism. Presidents played a key role, and their own interests, political orientations and strategies left a strong imprint on regional cooperation. Yet, rather than taking states' interests as given, the analysis has taken a step forward by unravelling how state's interests and ideas about the region interact in specified institutional contexts thus triggering processes of creation and development of regional organizations. The underlying assumption is that the more ideas serve the interests of the presidents, the more they affect these actors' policy and institutional choices, i.e., whether to create a new institution, to convert an existing organization or to promote institutional layering. The relevant aspect is the fit and synergy between actors' interests and ideas about the region in a particular institutional environment. The analysis has unravelled how particular configurations of ideas about the region and the institutional environment can work as constraint or as resource for states.

When institutions remain in place long enough, they not only survive their creators and the political and social coalitions that set them up, 'but also the external conditions of the time of their foundation' (Streeck and Thelen 2005: 28). This does not preclude institutional change. Yet, it can take different formats. The creation of MERCOSUR in 1991 flourished in a context marked by a constraining institutional environment that was perceived as inadequate to promote regional cooperation. Pre-existing regional agreements were basically guided by the principles of GATT, which were then also being questioned and undergoing re-negotiation at the multilateral level through the Uruguay Round. PICE, which dated back to the mid-1980s, was an innovative approach to regional integration but was discarded just five years after its establishment, together with other existing organizations. The institutional environment operated as a

constraining element for states now implementing neoliberal and free trade policies. These actors would then actively advocate the idea about the region as market creation and trade liberalisation, which stood closer to their own interests. This combination resulted in the creation of MERCOSUR as a brand-new organization. This constituted an institutional response more attuned to the idea about the region as a springboard for integrating effectively in global markets.

By 2003, MERCOSUR had both outlived its neoliberal mentors and the Washington Consensus. Yet, it did offer a valid institutional template upon which further cooperation could be pursued under an industrialist definition of the region, which fit the then presidents' own domestic model of development, where the state was to play an active role in productive and social agendas. States exploited this ideational and institutional configuration to accomplish new goals within MERCOSUR. Without rejecting the bloc's legal and institutional acquis and trade agenda, states initiated a process of institutional reorientation of MERCOSUR aimed at broadening its policy scope and enacting the extension of its rules and arrangements to adapt the regional organization to the new goals and context. Despite declining levels of interdependence, and contrary to the expectations of mainstream explanations, in 2003 states revamped MERCOSUR through a process of institutional conversion: the objective was to redirect the organization towards new objectives and functions, namely, to further integrate negative and positive cooperation by complementing the bloc's trade and commercial agenda with a social and productive dimension.

Five years later, the establishment of UNASUR did not entail the dismissal of standing organizations, i.e., CAN, MERCOSUR, and the dense network of Chile's FTAs. In fact, UNASUR resulted from a process of institutional layering, and thus

appeared as a rather innovative arrangement building on free trade and pursuing positive cooperation in social and political arenas, together with infrastructure, energy, and security, among others. In UNASUR, existing and new agendas and arrangements were layered. This layering is explained by the ideational and institutional configuration. Whereas states agreed on revamping regional cooperation, a gap emerged between the idea about the region as an arena for the deployment of broader economic, political, and social policies and regulations to maximize resources, capacities and impact on development and social agendas, and the existing institutional arrangements as devised within SACN. Consequently, some actors, i.e., Venezuela and Bolivia, would attempt to close this gap by adding and layering new institutional elements, including agendas, but also practices and actors, to the existing SACN. This institutional layering was expected to serve their interests better. Moreover, it did not trigger strong opposition as the new elements or layers did not directly undermine existing institutional arrangements and agreements. Thus, these pre-existing institutional structures were subsumed within UNASUR, which thus blended in old and new arrangements, including positive cooperation, precisely an area in which consensus remains extremely difficult and, in many cases, almost impossible because of relevant differences across countries in terms of normative or ideological positions, levels of economic development and institutional and policy patterns.

Finally, the narrative underscores the relevance of time and long-term analysis. Processes of institutional formation and change are time sensitive. All examined cases show different patterns of institutional change, thus reflecting that neither the conditions for change nor the alternative proposals are defined immediately. Rather they result from processes that unfold over time. Time and

process are key to fully capture how and when specific constellations of interests, ideas and institutions aligned in the search for regional institutional alternatives, thus triggering different patterns of institutional change.

Conclusions

Processes of institutional creation, change and development in regional organizations beyond the EU remain underexplored. Traditional explanations underscoring the relevance of economic interdependence, or the existence of supranational institutions do not seem to travel to other regions, as in the case of Latin America, given the absence of both. Analyses looking into the constellations of interests, ideas and institutions seem to offer more fertile ground.

This article contributes a dynamic analytical framework whereby states' interests and ideas about the region are taken as factors that interact within a specified institutional environment. The cases analysed provide a comparative assessment of how different constellations of these three 'I's' lead to various processes of institutional formation and change in Latin America: creation, conversion, and layering. They likewise highlight the relevance of assessing regional organizations as part of longer processes of regionalism and region-building, and of time and long-term analyses to fully capture how and when specific constellations of interests, ideas and institutions trigger different institutional processes.

The empirical narrative offers a comprehensive and informed analysis of the changing institutional landscape of South American regionalism for 25 years. Since 2015 the regional architecture has evinced new institutional developments, and regionalism has been portrayed as undergoing a crisis. This analytical

framework is still relevant to appreciate this conjuncture. First, it allows reflecting on these developments through the combined lenses of interests but also of ideas about the region –what the region is and what it is for –in a particular institutional context. In this respect, for example, already in 2015, MERCOSUR saw the emergence of right leaning governments in Argentina and Brazil, with the election of Mauricio Macri in 2015, and the impeachment of Dilma Rousseff in 2016 and her replacement by Michel Temer, followed in 2018 by the election of Jair Bolsonaro, respectively. Despite some differences, these actors shared a liberal economic agenda, and saw a synergy between their strategic interests and the idea about the region and regionalism as a space to promote market-led and open integration. Moreover, MERCOSUR was perceived as a relevant institutional setting to advance this idea about the region. Thus, the bloc was converted and reframed towards strengthening economic and trade relations based on flexibility and openness to international markets. Similarly, the lack of convergence between these actors' interests and the notion of region as embodied by UNASUR could explain the progressive disengagement from this regional organization since 2018. Secondly, by assuming a long-term, historical perspective, regional cooperation turns out to be more than the current 'crisis'. Time and history are key to explaining institutional development and change at the regional level of governance. Such an approach is particularly relevant in Latin America, where regional ideas and practices recognise more than 200 years.

These are just tentative reflections on some of the more recent regional developments in South America. Yet, deeper empirical research is required to comply with the qualitative and interpretive strategy followed in the cross-case study analytically discussed in section 3 and assure comparability and reliability.

Additionally, future research could address how regionalism and regional institutions are connected to wider transformations at the global level; while relevant, in this paper, my emphasis is on regional and national factors. Secondly, the analytical focus is on formal institutions, but it could be expanded to capture more flexible mechanisms and spaces of regional cooperation as shown, for example, by the establishment of the Forum for the Progress and Development of South America (PROSUR) in 2019. Finally, the creation and expansion of regional institutions is far from being a trademark of Latin America. Other regions exhibit similar developments, also in contexts where regional organizations remain intergovernmental, with low autonomy and flexibility. Comparative analyses, tracing the constellations of states' interests, ideas about the region and the institutional environment could bring in a finer understanding of patterns of institutional formation, but more importantly of development and change over time. Regions and regionalism constitute a major feature of the international landscape. Further understanding and assessing the evolution and transformation of regional institutional and governance patterns is fundamental to global politics.

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¹ Similarly, Sbragia (2008) argues that contrary to Western Europe, countries in Latin America (and Asia) faced less incentives for intra-regional trade because of their dependence on extra-regional market exports.

² This contrasts with the EU, whose flexible institutional architecture, i.e., ‘variable geometry’, tolerates ‘member states’ divergent preferences, which prevents deadlock and lasting conflict’, and allows ‘the continuous strengthening of the European regional architecture’ (Hofmann and Merand 2012: 173).

³ Recent research has underscored the relevance of presidents’ ideology in regional cooperation (Jenne et al 2017; Orjuela and Cheonou 2019; Quiliconi and Rivera 2019). However, ideologies ‘provide mental frameworks within which human beings can order and understand the entire world in which they live’, but upon which it is difficult to predict and assess how presidents would attempt to put these ideas into practice and in a particular period (Berman 1998: 20-21). Conversely, programmatic beliefs ‘are directly relevant only to particular categories of human action’ (Idem).

⁴ This categorization builds on Streeck and Thelen (2005), who offered a catalogue of commonly observed patterns of change: displacement, layering, drift, conversion, and exhaustion.

⁵ These initiatives are variously labelled. In this paper, I refer to this latest trend as post-liberal.

⁶ Latin American has been a pioneer in thinking itself as a region: its long history of regionalism and the ideas associated with it go back to the independence years (Fawcett 2005), when the notion of ‘*patria grande*’ envisioned the creation of a political bloc bringing together all the newly independent countries. By 1950, the

structuralist school under the lead of the Economic Commission for Latin America, nurtured the first wave of regionalism, and together with dependency theory, offered the most relevant Latin American contribution to international thinking and practice (Bianculli 2016).

⁷ Several regional groups were then established, including Central American Common Market (CACM, 1960), Latin American Free Trade Association (LAFTA, 1960), replaced by Latin American Integration Association (LAIA) in 1980, and Caribbean Free Trade Association (CARIFTA, 1965), which later became Caribbean Community and Common Market (CARICOM, 1973).

⁸ Other newcomers included Association of Caribbean States (ACS, 1994), together with the launch of more than 25 regional agreements, ranging from bilateral and multilateral free trade areas to customs unions with pretensions to become a common market.

⁹ Today MERCOSUR includes Argentina, Brazil, Paraguay, Uruguay, and Venezuela (suspended for failure to implement accession clauses, including the Protocol of Ushuaia, MERCOSUR's democratic clause in 2017). Associate members are Bolivia (in accession process since 2013), Chile, Colombia, Ecuador, Guyana, Peru, and Surinam.

¹⁰ In December 1995, after assuming the pro-tempore presidency of the bloc, Carlos Menem instructed public officials and negotiators that his six-month term of office must be recognized by MERCOSUR's active external trade agenda, which included negotiations with Bolivia, Chile, the FTAA, and the EU (Cadorin 1996).

¹¹ MERCOSUR's main objective was to create a common market while also pursuing 'economic development with social justice' in the region (Treaty of Asuncion).

¹² Within the framework of deep structural and trade liberalization reforms, Argentina introduced the Convertibility Plan that pegged its peso on a one-to-one fixed exchange rate to the United States dollar in 1991.

¹³ This was indicated in the preambles of the FTAs with Chile, Colombia, Panama, and Peru and in the Dominican Republic-Central America Free Trade Agreement (CAFTA-DR).

¹⁴ President Néstor Kirchner's inauguration speech, (<https://www.cfkargentina.com/discurso-de-asuncion-del-presidente-nestor-kirchner-a-la-asamblea-legislativa-el-25-de-mayo-del-2003/>, (14 June, 2021)).

¹⁵ An initial agreement between Venezuela and Cuba in 2004, ALBA then incorporated Bolivia (2006), Nicaragua (2007); Dominica (2008), Ecuador, Saint Vicent and the Grenadines, Antigua, and Barbuda (2009), Saint Lucia (2013), Federation of Saint Christopher and Nevis (2014). Honduras joined ALBA in 2008, but withdrew in 2010, whereas Ecuador announced its exit in 2018 and Bolivia in 2019.

¹⁶ These included Argentina (2003, 2007, 2011), Bolivia (2006, 2010, 2014), Brazil (2003, 2007, 2011), Ecuador (2007, 2013), Paraguay (2008), Uruguay (2005, 2012, 2015), and Venezuela (1998, 2001, 2007, 2013, 2019).

¹⁷ In 2011, Chile, Colombia, and Peru together with Mexico, established the Pacific Alliance as a liberal and market oriented regional project.

¹⁸ Tratado Constitutivo de la Unión de Naciones Sudamericanas
(<https://web.archive.org/web/20161009121928/http://www.unasur.int/images/descargas/DOCUMENTOS%20CONSTITUTIVOS%20DE%20UNASUR/Tratado-UNASUR-solo.pdf>, (30 August, 2021)).

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