Hemispheric Relations: Budding Contests in the Dawn of a New Era

Diana Tussie

Introduction

In the 1960s, when region building was first having a renaissance, economist Gunnar Myrdal (1968: 39) issued a cautious note, suggesting that ‘the regional approach has no intrinsic justification. There are no mystical qualities in geographical proximity that make neighboring nations a “unit” in any real sense culturally, politically or economically’. True to this dictum, Latin America is a vast and uneven continent of many contrasts that escapes ‘essentialist’ characterizations, such as language, Hispanic-Catholic traditions or a single civilization, as Huntington (1998) would have it. In the region, the differences in size and levels of development are several times larger than those found between the actual and prospective members of the European Union. But such contrasts still leave room for positive assertions about shared trends, common dilemmas or recurrent policy features that prompt region-building efforts.

The regional level of analysis adds an exciting dimension to the study of international political economy, long over-focused upon advanced industrial societies and states as the systemic rule makers par excellence. European empires enshrined this balance of power and the US, and through the Monroe doctrine, promoted templates for controlling (and understanding) their respective regions; most other countries also built ways of dealing with their neighbours that have been overlooked by the systemic view of enquiry. It is not that regions have been ignored outright, but rather that only certain regions were deemed of interest: those seen to shape global rules. The others were bundled up at the receiving end.

In a period of rapid transformation, the cloth of regional policies, regional identities and regional forms of cooperation and competition (and not just in ‘core’ regions) have come into focus as they are seen to have significant global reverberations (Bélanger and Mace, 1999), beyond the role of passive receivers. Sticking to a binary view, Robert Keohane (2001) sets Latin American countries as the takers not makers of global rules. Going beyond
this binary description, there is a more complex situation characterized as much by convergence and divergence, as well as by abeyance and contestation – even if in comparison with the countries in Europe, Asia, and the Middle East, the countries of Latin America and the Caribbean rarely grab newspaper headlines.

Regionalism as an intensely political process is now a motivating and legitimizing tool for linked strategies and objectives whereby governments seek to coordinate the terms of competition on which rival economic and political agents confront each other. In Latin America the process has gone through phases of: energetic expansion, mere trend-following, controlled stalemate, disaggregation and reconfiguration as a result of the ups and downs of policies and the changing conditions in the global scene. These factors have led to a leadership competition in terms of goals and of the policies included and geographical reach. The analysis of competing projects raises a number of interesting questions about the relationship between the US’s ambition to lead a continent-wide project and defensive reactions to it. The advent of a new administration in Washington hand in hand with the global financial crisis of 2008–10 opens the door for a fresh look at this increasingly rich and ambivalent relationship.

Forced to find the essence (which Myrdal called into question) that makes up a region, the regional milieu in the Americas broadly speaking is in some ways unique because of its natural resource base, its shared beginnings in the system of states, the intimate exposure to US reach and the ultimate mark of US hegemony. In this sense, regionalism as a channel for the spread of policies dates as far back as the struggles for independence and the coetaneous conformation of republics with startling degrees of social and organizational commonalities (Fawcett, 2005). This is a distinct birthmark, which also helps to explain the trajectory of regional politics, and its mix of abeyance, adaptation, contestation, sidelining and pragmatism to a number of realpolitik dilemmas.

True to this pattern, the last decade of the twentieth century ushered in a paradigm shift, a new flux of styles, fashions and philosophies manifest in the collapse of military rule, renewed electoral competition and the crumbling of import substitution that had shaped and inspired policy for so long. Trade reform became the mechanism for the transmission and adaptation of neoliberal principles. Regional economic integration made a comeback. In some cases, it entailed sprucing up old agreements, as was the case with the Andean Pact in 1989 and the Central American Common Market (CACM) in 1990. In other cases, new regions were created, such as the North American Free Trade Agreement (NAFTA) in 1993 and the Mercosur in 1991. The competition for potential expansion of the latter two brought them into steadfast opposition from time to time, a continued tension over modes of regional associations and, ultimately, regional leadership. Mercosur was widely believed to create a window of opportunity for the