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EUROPEAN UNION – LATIN AMERICA
Interregionalism or selective
bilateralism



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București | 2024

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I. THEORETICAL AND METHODOLOGICAL APPROACHES

I.1. Interregionalism and bilateralism: Instruments of Foreign Policy

Regionalism is a stable phenomenon, with regional policies becoming increasingly institutionalized and developed. Rita Giacalone explains that in its agreements with other states, organizations, or blocs of states, the European Union, as the most significant *product* of regionalism, seeks to project its institutional model and values globally. This process aims to position the EU among the key players of the international system. In this context, the author identifies interregionalism as a third generation of regionalism, distinguished by its engagement in international relations, contrasting with previous generations.⁵

The origins of the interregional phenomenon can be traced back to the 1960s and 1970s, when the first interregional manifestations, represented by the so-called bilateral regionalism or biregionalism, emerged. These developments were a direct consequence of the proliferation of regional entities in various forms during that time.

⁵ Rita Giacalone, *Los nuevos acuerdos de integración sudamericana: implicaciones para la estrategia del inter-regionalismo europeo*, in Joaquín Roy, *Después de Santiago: Integración Regional y Relaciones Unión Europea-América Latina*, Miami: European Union Center, 2013, p. 159

The European Community was actively involved in the development of this phenomenon from its inception. By the 1970s, it had already begun to engage more consciously and coherently with other regional entities and regions. This engagement took various forms, such as the European Community – Arab Dialogue (1974), cooperation in the Mediterranean region (1977), and the Lomé Convention signed with the African, Caribbean, and Pacific States (1975). These early forms of interregionalism represented an initial mode of contact between regions on an ad hoc and individual basis.

One of the regions where Brussels has demonstrated significant interest is Latin America. The European Union's support and attention to Latin America have been spurred by the changing dynamics in the international system and the heightened interest of the United States in the region. By endorsing the process of regional integration, particularly in the case of Mercosur, the Union aimed to bolster its economic and political influence in the region. Additionally, it sought to provide increased security for European exporters and investors who were highly engaged in Latin America, drawn by the economic resurgence and privatization initiatives. The European Union's support for this integration process has also been driven by Brussels' objective of providing the region with a viable alternative to US policy. This became particularly salient after the Washington administration proposed the conclusion of the agreement on the Free Trade Area of the Americas⁶.

In her study on interregionalism, Julie Gilson elucidated and substantiated that interregionalism serves as a mechanism to justify and enhance the legitimacy and influence of a region as a participant in the international system. This is driven by a desire to foster a distinct regional and interregional

⁶ Free Trade Area of the Americas

dynamic⁷. This hypothesis is highly applicable to the case of the EU as well. In fact, the two authors who studied such processes, Soderbaum and Langenhove, specifically referenced the EU case and the nature of its partnerships, suggesting a potential shift towards a world order dominated by interregional relations⁸.

In striving to offer a more comprehensive understanding of the multifaceted nature of interregionalism, it's essential to emphasize that, according to several scholars, interregionalism serves as a mechanism for balancing power between significant economic regions worldwide. In our context, this pertains to Europe and South America.⁹ Therefore, interregionalism emerged from the necessity to coordinate the resources and capacities of two regions to address external economic realities and, particularly, challenges. From a systemic perspective, the EU's external relations with other regions are viewed as part of a *new triad*¹⁰.

Additionally, the EU employs interregionalism as a mechanism to influence international trade and to propagate its own institutional model¹¹. Analyzing the EU-Mercosur agreement, Santander argued that their interregionalism

⁷ Julie Gilson, *Inter-regionalism*, Paper presented at the ECPR Standing Group on International Relations, University of Turin, Italy, 2007, p. 4

⁸ *Ibidem*

⁹ Richard Stubbs, *Asia-Pacific Regionalism vs. Globalization: Competing Forms of Capitalism* in William D. Coleman and Geoffrey R.D. Underhill, *Regionalism and Global Economic Integration: Europe, Asia and the Americas*, London: Routledge, 1998, p. 68

¹⁰ Ralf Roloff, *Globalisierung, Regionalisierung und Gleichgewicht [globalisation, regionalisation and balance of power]*, in Carl Masala and Ralf Roloff (eds.) *Herausforderungen der Realpolitik [challenges of Realpolitik]*, Köln: SYH-Verlag, 1998, p. 82

¹¹ Vinod K. Aggarwal and Edward A. Fogarty, *Explaining Trends in EU Interregionalism*, in Vinod K. Aggarwal and Edward A. Fogarty, *European Union Trade Strategies: Between Globalism and Regionalism*, London: Palgrave, 2004, p. 320

promotes and legitimizes trade liberalization, deregulation, and privatization¹². Moreover, relations between regions benefit markets and ensure „multilateral social and economic development”¹³. From this perspective, it can be concluded that interregionalism is a functional instrument of EU foreign policy¹⁴.

In addition, the EU utilizes interregionalism as a tool for stability and to promote development strategies. For example, counter-terrorism and anti-illegal trade initiatives are increasingly being led and implemented by groups of states for greater effectiveness¹⁵.

The concept of interregionalism pertains to a relatively new field of study. After a long history of collaborative relationships between groups and organizations within the same region, similar networks and constructs can now be initiated, developed, and carried out between groups and organizations in different regions. Interregionalism identifies the process by which regions establish relations with each other, illustrating an ideologized vision of their foreign policy.

Heiner Hanggi offers two rationales for the emergence of interregionalism. The first rationale is that there needs to be a balance between development models and levels of development among regions, leading to a tendency to export or adopt models, tools, and ideas that have proven successful. And the second rationale relates to the need to manage the increasingly complex interdependence of

¹² Sebastian Santander, “The European Partnership with Mercosur: a Relationship Based on Strategic and Neo-liberal Principles”, *Journal of European Integration*, No. 27, 2005, p. 292.

¹³ Frederik Söderbaum, Patrik Stalgren and Luk van Langenhove, “The EU as a Global Actor and the Dynamics of Inter-regionalism: a Comparative Analysis”, *Journal of European Integration*, No 27(3), 2005, p. 371

¹⁴ Julie Gilson, *Inter-regionalism*, Paper presented at the ECPR Standing Group on International Relations, University of Turin, Italy, 2007, p. 11.

¹⁵ *Idem*, p. 12

a world dominated by the phenomenon of globalization (liberal-institutional perspective).¹⁶

Interregionalism emerged in response to a need in Europe to advance and institutionalize relations between different regional groups and organizations at the international level. Hanggi explains the phenomenon of interregionalism from the perspective of three paradigms.

In relation to interregionalism, realism refers to the dynamics of regional rivalries and power struggles between different regional actors. Liberal-institutionalism emphasizes the necessity of cooperation to maintain the balance of power and prudent management of state interdependence relations at the international level. Constructivism, on the other hand, pertains to identity formation based on interregional interactions.¹⁷

The concept of interregionalism has become increasingly common in the 21st century, but its origins can be traced back to the end of the Cold War. During this time, more and more authors began to write and take an interest in this topic, particularly in the context of growing interactions between international organizations and groups across various countries and regions.

Today, most regions and sub-regions of the world are engaged in institutional relationships with similar partners. Over time, as regions have become better defined, regional groups have developed a greater capacity for collective action in their external affairs. Concurrently, interregionalism has evolved as a strategy. The European Union has developed a diplomacy of interregionalism and has distinguished itself through the use of pure interregionalism. Additionally, it

¹⁶ Heiner Hanggi, *Interregionalism: empirical and theoretical perspectives*, The Pacific Council on International Policy, Los Angeles, 2000, p. 3

¹⁷ Heiner Hanggi, op. cit, 2000, p. 4

has given rise to *complex interregionalism*¹⁸, a new concept specific to EU policy for certain regions.

From a review of the literature, it is evident that interregionalism takes various forms, reflecting both the interaction between regional institutions and the emergence of a more formal and coherent strategy. Since the 1990s, there has been a steady increase in interregional relations, leading to a growing interest in this phenomenon. This has prompted Vinod Aggarwal and Edward Fogarty to conclude that “understanding the driving forces behind interregionalism is likely to become a crucial theoretical and policy concern”¹⁹.

Heiner Hanggi argues that interregionalism appears to have become a lasting feature of the international system²⁰. Thus, a wide array of forms and types of interregionalism will continue to coexist. “Interregionalism involves formal agreements between groups of states in different regions. It is the result of globalization and regionalization, economic phenomena that reduce the control of regional states over policies. However, organizations established through institutional arrangements enable this control to be maintained”²¹.

In his paper *Interregionalism and International Relations*²², Heiner Hanggi makes a clear distinction

¹⁸ Alan Hardacre and Michael Smith, “The EU and the Diplomacy of Complex Interregionalism”, *The Hague Journal of Diplomacy*, No 4, 2009, pp. 172–173;

¹⁹ Vinod Aggarwal and Edward Fogarty, “The Limits of Interregionalism: the EU and North America”, *Journal of European Integration*, Vol. 27, No 3, 2005, p. 334

²⁰ Heiner Hanggi, *Interregionalism: empirical and theoretical perspectives*, The Pacific Council on International Policy, Los Angeles, 2000, p. 12

²¹ Rita Giacalone, *Los nuevos acuerdos de integracion sudamericana: implicaciones para la estrategia del inter-regionalismo europeo*, in Joaquin Roy, *Despues de Santiago: Integracion Regional y Relaciones Union Europea-America Latina*, Miami: European Union Center, 2013, p. 158

²² Heiner Hänggi, *Interregionalism: Interregionalism as a multifaceted phenomenon: in search of a typology*, in Hänggi Heiner, Roloff Ralf and

between three types of relations that can develop between different regions:

A. *Transregionalism*, which refers to the relationships developed between state and/or regional actors in different parts of the world. They have a large number of members/citizens and pursue strategic objectives rather than tangible goals that can be achieved within a defined time frame.

B. *Hybrid interregionalism*, which refers to relations between regional groups in different parts of the world, with the main condition being that at least one of the parties is a customs union. This model is the most common.

C. *Pure/deep interregionalism*, which illustrates the relations between two customs unions in different parts of the world. This model is considered the most beneficial and successful as it fosters closer cooperation, generates common actions and positions, and contributes to the formation and consolidation of a strong and enduring relationship between the two parties. The EU's relations with the Community of Andean Nations (CAN) and Mercosur serve as examples of deep interregionalism.

As time passes, regions are becoming more clearly defined, and regional groups are evolving. Interregionalism has thus evolved into a strategy. But interregionalism can take different forms, illustrating the interactions between regional institutions and potentially leading to a more coherent and strategic approach. This is why we have witnessed a growing interest in interregional relations, institutions, and groups