

THE GEOPOLITICAL GAME BEHIND
LAST YEAR'S FIRST SOUTH AMERICAN PRESIDENTIAL SUMMIT
Some Possible Implications for the Future of the FTAA Negotiations

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I. INTRODUCTION

This paper takes up the issue of the construction of state-led regionalist projects as the result of foreign-policy decisions as its main research question. Indeed, most economists have systematically ignored the analysis of regional geopolitics and social structures within states, downplaying the influence that these two variables may ultimately have over the way markets operate.¹ It is argued here that by looking into political and social variables influencing the decisions made by statesmen this gap may start to be filled. In this sense, markets and their degree of openness should be understood as the result of these decisions, which respond not only to the search of economic welfare, but also –and perhaps most importantly– to geopolitical and strategic considerations which have been omitted from the traditional analysis on the formation of regional integration agreements.

The kind of thinking –which considers markets should be seen as social institutions– goes in line with the approach initiated by Robert Cox (1981) and the critical theorists, labelled today as the ‘new IPE’. This approach is based on “a method of historical structures, defined as configuration of forces (material capabilities, ideas and institutions) which do not determine actions but nevertheless create opportunities and impose constraints” (Gamble and Payne 1996: 7). Individuals and groups may not just be seen as bearers of structures, but as the ‘creators’ of structures themselves. Therefore, both market liberalisation and regional integration could be understood as the outcomes of human activity, and not simply as the predominant structures resulting from the triumph of the so-called ‘Washington Consensus’. Furthermore, as the recent currency crashes in Asia and Latin America have evidenced, the neo-liberal project may have reached a limit, at least in the short to medium term, undermining the notion of ‘convergence’ that prevailed in the literature emanating from OECD policy communities throughout the 1990s. In fact, trade liberalization has been accused of having negative distributive effects that disturb social structures and exacerbate resistance by domestic disadvantaged groups. This is an issue that some Latin American governments apparently want to put on top of the agenda before conceding to trade liberalisation with developed countries. Contrary to what Strange (1996) would say, this raises the issue for a more significant role of states in the shaping of the world economy.

Within this framework, this paper will concentrate on the analysis of last year's first ever South American Presidential summit and its possible political and strategic implications for the future negotiation of a larger hemispheric integration agreement. The summit certainly represented a milestone in Latin American regional integration. Before this occasion, presidential reunions had indeed taken place at the Inter-American level represented by the Organization of American States (OAS), at the Latin American level (LAIA or Rio-Group meetings) and at the Iberian-American level with the participation of Spain and Portugal. Nevertheless, at the OAS the United States has traditionally led the political agenda, while in the other two forums, Mexico and Brazil have customarily contended for leadership. This was to be the first time Brazil stood alone as the uncontested leader.

The hypothesis behind the analysis is that the recent course of hemispheric foreign-policy towards regional integration should be understood as the responses major regional actors –namely the United States, Brazil, Mexico and to a lesser extent Argentina and Chile– are adopting to face the challenges posed to them by an ever growing interdependent world economy. While the United States would bet for 'convergence' around the so-called 'neo-liberal project' encapsulated in the Free Trade of the Americas Area (FTAA), Latin Americans, as made evident by their recent foreign policy decisions, may be advocating a different view of world affairs guided by their own geopolitical considerations, according to which sub-regional groupings or bilateralism could serve better their interests. As will be seen no single position has materialised yet. Nevertheless, the analysis reveals the prominence of states and governments in the shaping of future regional market structures.

The paper proceeds as follows. Section I examines Brazilian foreign policies regarding regional integration during the last decade, particularly with respect to the FTAA process. Section II reviews the implications of the recent South American Presidential summit and the Brazilian entanglement with the United States. Section III analyses the position held by Mexico. Some conclusions are drawn at the end of the paper.

I. BRAZIL AND ITS VISION OF REGIONAL INTEGRATION

Analysed on a historical perspective the evolution of Brazilian international relations has been characterized by its pragmatism. Flexibility in the construction of Brazil's international alliances has been determined by its interest in securing access to basic resources needed to promote its economic development (Cervo 1994; Lessa 1998; Guilhon de Albuquerque 1996). Within this context, Brazil considers diversity of strategic relations a mechanism for avoiding exclusion and obtaining protection against unilateral decisions taken by stronger powers (Costa Vaz 1998: 89-91; Lafer 1992).

On the other hand, despite believing it has enough credentials to play a part of growing significance in the larger international political arena, Brazil has never assumed a role commensurate with the size of its economy, population and territorial extension. Only under the Franco administration in the early 90s, Brazil embarked upon the quest for worldwide recognition as an "intermediate power". In fact, the growing sophistication of its social and economic fabric have multiplied the areas of national interest which are currently debated at international forums. This, in turn, has helped create the conditions for Brazil's further involvement in the conduction and formulation of global governance rules. The Cardoso administration has been extremely successful in changing Brazilian attitudes towards international problems previously ignored by the general public, such as drug-trafficking, environmental conservation or human rights, making of Brazil one of the few developing countries with truly global interests and a strong tradition of participation in multilateral organizations (Levitsky 1998).

As regards its Latin American neighbours, until the late 1980s the region's significance for Brazil was pictured almost exclusively in political terms. Brazil's trade flows were massively directed to industrialized countries in North America, Europe and Asia, where markets, technology, investment and financing were to be found. For decades, this had been the predominant view among large segments of the Brazilian political elites, engendering scepticism and even opposition to regional integration. Furthermore, the authoritarian political regimes in place throughout Latin America hindered the prospects for any positive sub-regional association. In this context, the gradual return to democracy and the adoption of neo-liberal economic policies through the whole of the region paved the way for a resurgence of sub-regional integration initiatives.

Attempts to strengthen Brazilian leadership in South America –where it roughly represents 50 percent of the sub-region’s economy, population and territory– began with the creation of MERCOSUR in 1991 and the negotiation of bilateral trade and economic agreements with Peru, Bolivia, Ecuador, Colombia, Venezuela, Guyana and Surinam under the so-called 'Amazonian Initiative'.

Yet, although Brazil actively pursues a more competitive integration in global markets based on trade liberalization and the improvement of its domestic productive platform through sub-regional initiatives, it also advocates a concept of ‘asymmetric globalization’ when formulating possible avenues for its international economic relations. This notion reflects the fact that globalization –as it is being conducted nowadays and given the divergent capabilities of participating parties– produces imbalances in the distribution of benefits and incomes among and within countries. This kind of thinking was made evident during the WTO negotiations in Seattle in 1999, where Brazilian representatives advocated the need to devise mechanisms to eliminate market distortions and to include special and differentiated treatment clauses for developing countries.² Evidently this is already having consequences on the approach adopted by Brazil vis-à-vis sub-regional integration and the FTAA.

The relationship between Brazil and Argentina and its implications for sub-regional integration.

Not long after their return to democracy, Brazil and Argentina started putting aside their historical antagonisms. The ‘Declaration of Iguazu’ (1985) certainly represents a first step in strategic reconciliation between both countries. Adopting a new reading of their relations, commercial exchanges emerged for the first time as one of the imperatives on the sub-regional agenda. Indeed, after the debt crisis of the early 1980s the international environment did not look so auspicious for multilateral cooperation, and sub-regional and bilateral integration came forth as suitable options to achieve the goal of promoting economic development. In this context, South America –and Argentina, in particular– finally acquired an extended economic functionality for Brazil. Furthermore, since the partnership with Argentina resulted from the political convergence around democratic ideals and the mutual recognition of the benefits derived from economic interdependence, from its origins the new

alliance was to be much more symmetric than the previous ones established by Brazil with developed countries such as Japan and Germany.

The constitution of MERCOSUR (1991) extended the emergent bilateral pole of cooperation to include neighbouring Paraguay and Uruguay, laying the ground for an extraordinary growth in sub-regional commercial transactions. This can be regarded as a phenomenon of economic geography. Paradoxically, despite their proximity, trade between Argentina and Brazil had fallen by 50% between 1980 and 1985 as a consequence of the commercial restrictions imposed in the wake of the foreign debt crisis, combined with a bureaucratic apparatus inherited from the old import substitution days. Once barriers started to be dismantled, trade and investment opportunities were subsequently seized by sub-regional firms. As a consequence, the volume of intra-regional trade among MERCOSUR members knew an spectacular increase: from \$4.1 billions in 1990 to \$15.2 billions in 1999, up 270%. During the same period, bilateral trade between Brazil and the United States grew only by 74%, from \$12 in 1990 to \$21 billions in 1999.³

Bilateral economic relations between Brazil and Argentina improved not without strains, though. Despite the Ouro Preto agreement (1994), which allows MERCOSUR members to abide by transitory regulations establishing exceptions to free trade in sensitive sectors (Durval de Noronha 1997), the 1999 financial crisis eventually resulted in a disorderly devaluation of the Brazilian currency, which hit hard those sectors of the Argentine industry heavily dependent on Brazilian markets. A massive international bailout prevented deep recession in Brazil, but it was made clear the sub-region could no longer be host to two opposed currency regimes – a fixed rate to the U.S. dollar in Argentina and a floating exchange rate in Brazil (Tavares de Araujo 1998). Without further cooperation the situation may prove unsustainable in the long-run.

It is also argued that in addition to its evident economic focus, bilateral relations reflect a much deeper alignment aimed at creating a network of common political interests. Indeed, during a meeting between Presidents Cardoso and Menem in April 1997, both countries signed a Memorandum on Consultation and Coordination which established a permanent mechanism for the assessment, evaluation, and monitoring of security and defence matters of mutual interest (Rizzo de Oliveira 1999: 172). Later, in July 1998, a political declaration was signed by all of MERCOSUR members –

including its associates Chile and Bolivia– to establish a ‘Zone of Peace’ in the Southern Cone of the Americas and to abide by a ‘Democratic Clause’.

However, despite growing economic interdependence and declaratory common political projects, the emergence of an strategic alliance is far from evident. Indeed, opposing strategies may be resulting from the adoption of alternative world visions. According to Bernal-Meza (1999), Brazil’s approach to world politics is still strongly influenced by a realist state-centric conception of the international system. Within this framework, researchers at the Instituto Brasileiro de Relações Internacionais (IBRI) have recently developed a concept of “logistical state” to denote a country’s capacity of “constructing” equilibrium by attracting other countries in its immediate entourage to coalesce around an international project and interact as a bloc in an interdependent and globalised environment. This would explain why Brazil is taking the challenge of becoming the locomotive of the new South American sub-regional bloc.

Similarly, based on Richard Rosecrance’s vision of the trading-state, Escudé (1992) argues Argentina may have opted for a “citizen-centric” approach to world politics. Within this paradigm, securing the economic well-being of its individuals should be considered the focus of the country’s efforts in the international arena. In fact, with the advent of Menem to power in 1992, Argentina abandoned its traditional confrontational stance of previous decades based on an eclectic ideology inspired on the Latin-American *dependencia* school, Anglo-Saxon realism and German geopolitics, which emphasized the importance of territorial sovereignty, military balances and foreign-policy autonomy. The defeat in the Malvinas/Falklands War (1982) and the hardships of the 1989-1990 hyperinflation period, determined the revision of the country’s foreign-policy and conditioned the subsequent explicit association with the West as expressed in Argentina’s withdrawal from the Non-Alignment Movement, its adherence to the Non Proliferation Treaty (NPT), and its active participation in U.N.-led actions in the Gulf War and peace-keeping operations during the 1990s. For Escudé (1999: 82-83), contemporary Argentine foreign policy follows the lines of what he has labelled ‘peripheral realism’, according to which direct opposition to the major powers is to be avoided, while preferring a development strategy based on the explicit alignment with the United

States –as was the case with Germany and Japan after World War II. The Argentinean request for admittance into NATO should be understood within this context (Sotero 1997).

Paradoxically, while at the official level Brazil clearly advocates a high-politics stance (i.e. acquiring recognition as an intermediate power in the international scene, enshrined in its aspiration to occupy a permanent seat in an enlarged U.N. Security Council), in recent years it has privileged the commercial dimension of its foreign relations. On the other hand, while Argentina exhibits a low-politics discourse (i.e. turning into a trading-state), it has decidedly privileged the political dimension as evidenced by its alignment with the United States. Furthermore, while Argentina embraces the cooperative security framework advocated by the U.S. in South America, Brazil is still reluctant to adhere to Washington's security policies and regards them as intrusive –as recently revealed by its rejection to Plan Colombia (Escudé and Fontana 1998). Moreover, it has been suggested the United States may in fact be trying to generate differences among MERCOSUR members, following the old tradition of “divide and reign” (Brigagao 1998).

In any case, these diverging conceptions of world politics and the respective roles to be played by each country, raise doubts about MERCOSUR's prospects for success as a common political and strategic platform. For Argentina, MERCOSUR could simply represent a “junction element”, a tactic within a long-term strategy aimed at establishing a privileged relationship with the United States. Evidently, this could lead to an unconditional endorsement of the U.S.-led FTAA project. For Brazil, on the other hand, it is believed MERCOSUR represents a strategic element of its global policy, the first step into a South American sub-regional bloc, and a platform towards international recognition as a middle-power and, therefore, a distinctive element of Brazil's *realpolitik* (Bernal-Meza 1999). As things are right now, Brazil is important for Argentina, but Argentina is more important for Brazil given the consensual nature of its geopolitical project.

Brazilian attitudes towards the FTAA

Soon after NAFTA was created Brazil hurried to make clear it believed the gradual extension of the emerging trading bloc should be carried out based on existing regional integration mechanisms, in which negotiations would constitute "building blocks" towards hemispheric integration. Indeed, in April 1994, months before the Miami Summit took place, President Franco wrote to his MERCOSUR

colleagues stating Brazil did not oppose the idea of joining NAFTA, provided negotiations did not take place on an individual basis, but rather with MERCOSUR as a single bloc (Abreu 1997).

Nevertheless, the NAFTA treaty did not establish criteria for accession. Moreover, decisions would have to be unanimous, conferring an effective veto power to existing members. The fact that to date no single Latin American country has gained access to NAFTA has contributed to fuel Brazilian scepticism about Washington's real intentions behind its hemispheric trade liberalisation project.

Indeed, in recent years, among influential academic and political Brazilian circles, analysts have advocated the idea that the FTAA is part of an orchestrated and broader U.S. strategic operation aimed at the achievement of Washington's long-term political, economic and military objectives. On political grounds, it is argued the FTAA will help the United States consolidate its influence over Latin America, securing regional support for the implementation of specific actions against the perceived "new threats" to U.S. national security, such as drug-trafficking, terrorism and immigration flows. Similarly, the establishment of the FTAA and convergence around good governance rules, legislation and neo-liberal macroeconomic policies would allow the United States extended control over Latin America's deviations from the standards set in Washington, just like with NAFTA in place Mexico became unlikely to express serious disagreement with the U.S. on major issues of international diplomacy. In the military sphere, it is argued Washington's strategy is aimed at curbing the development of advanced technologies in key Latin American countries. In this way, local military forces will restrict themselves to keeping internal order, while threats such as environmental damage or the spread of terrorism and drug-trafficking across national borders would eventually require the direct intervention of the U.S. military (Pinheiro 1998, Coutinho and Furtado 1998).

As regards trade issues, doubts have also been raised about the benefits of the U.S.-proposed scheme based on open markets and privatizations. During a seminar organized in Brasilia for diplomats and academics by the Instituto Rio Branco and the Brazilian Foreign Office between July 31 and August 3, 2000 consensus emerged around the idea that the creation of an hemispheric-wide free-trade area would mostly benefit U.S. firms by opening up relatively closed sectors of the South American economy. It was argued that, in spite of an initial increase in regional exports, FTAA benefits would be limited and temporary. Furthermore, the use of the U.S. dollar as an anchor for

price stability and its eventual adoption as “hemispheric currency” was considered a subtle manoeuvre aimed at gradually giving up the region’s monetary autonomy to the U.S. Federal Reserve.

Washington had tried to assuage these fears during the Santiago Summit (1998) by explicitly agreeing to co-chair with Brazil the final stages of the FTAA negotiations. Nevertheless, Brazil may have opted for a different strategy. In fact, a multipolar international order with various centres of power would be largely preferred to a traditional system of hub and spokes articulated around the United States. Within this context, both MERCOSUR and a larger South American bloc would fit better within Brazil’s ‘building blocks’ approach. Similarly, contemporary protectionism should not be understood as an attempt to achieve autarky, but as a means to create the appropriate climate to attract foreign investors (Jaguaribe 1998). In this sense, the strengthening of MERCOSUR could actually provide the most effective platform to project Brazilian power regionally.

Within this context, an untimely adhesion to the FTAA, done uncoordinatedly regarding other attempts at international linkage, is seen as conducive to negative impacts on Brazil by conceding an important competitive advantage to U.S. corporations. According to De Seixas Corrêa (2000: 27), Brazil should not make any concessions without obtaining at least reciprocal benefits from the United States. This explains why Brazil does not want to engage in negotiations including liberalization in trade of industrial goods, services and technology if the U.S. and Canada do not open their markets for South American agricultural products. As revealed by the recent political discourse, Brazil’s geo-economic and geopolitical goals would only be achieved if the FTAA negotiating agenda incorporates all of the relevant issues at stake. For Brazil this includes: state aid for less developed geographical areas and sectors considered strategic for development, scientific and technological support and, eventually, regional-wide agreements over monetary questions. Finally, another issue which will certainly gain relevance in the years to come is consultation to those groups of the Brazilian civil society directly touched by the FTAA agreement. This practice has become common since the Third Ministerial Meeting in Belo Horizonte and may eventually reinforce the shift in focus during the negotiations on the part of Brazil.

II. TOWARDS SOUTH AMERICAN INTEGRATION

The Preceding Stages

In October 1993, President Franco announced his intention of promoting the creation of a South American Free Trade Area (SAFTA). The media has often suggested the SAFTA idea began to mature in Brazilian official circles when accession to NAFTA was blocked by denial of fast track by the U.S. Congress. As pointed out before, South America has become to be considered Brazil's geographical sphere of influence, and where Brazilian business finds a natural outlet for expansion. Along with the European Union (EU) and the U.S., South America is already one of Brazil's main trading partners absorbing today 40% of Brazilian exports –twice as it did in 1989. MERCOSUR alone represents 27% of Brazilian foreign markets (De Seixas Corrêa 2000: 23). Furthermore, South America has a much more diversified economic and trading model than Central American and Caribbean –basically oriented towards the United States.

On the other hand, in recent years the concept of “Latin America” has lost some of its relevance for Brazil. Its use in diplomatic circles during the last decades led to distorted perceptions about shared homogenous realities based on a strong sense of unity and common interests. Indeed, in many senses “South America” is a more precise concept. The name recalls geographical and economic closeness, while the term “Latin America” is based more on cultural and linguistic similarities. Moreover, Brazil shares ten international borders in the sub-region. As regionalism became one of the most important trends in the world economic scene, Brazil looked back to South America not only as its historical and geographical milieu, but mainly as a key option for Brazilian trade and foreign policy. Furthermore, the relevance of the South American concept in Brazilian foreign policy is evidenced by its backing of successive sub-regional initiatives, such as MERCOSUR, the Amazonian Initiative and SAFTA -announced roughly one year after another in 1991, 1992 and 1993 respectively.

Although the Brazilian political discourse contends SAFTA is not a geopolitical project, but a trade and economic initiative, many observers –particularly in the U.S.– argue the SAFTA project originated from a strategic conception based on the development of concentric circles around MERCOSUR. The SAFTA project won sub-regional support in the March 1994 MERCOSUR

Foreign and Finance Ministers meeting in Buenos Aires, where a joint communiqué expressed support for full trade liberalisation in South America as an end in itself and as a means to facilitate the insertion of the sub-region into the hemispheric and world economic systems. Later, in a decision taken in Montevideo in May 1994, MERCOSUR announced it considered SAFTA a positive and realistic contribution to regional integration. Thus, to this point, the future of SAFTA depended much on the reaction of the member countries to the Andean Community (AC).

In general, SAFTA would be based on a network of free trade agreements between South American states. The Latin American Integration Association (LAIA) would provide the necessary technical and logistical support to negotiate the agreements in accordance with the 1980 Montevideo Treaty. The proposal envisaged the reduction of customs duties and the elimination of trade restrictions to be completed over a 10-year period. However, various deadlines would be established to allow for member countries structural differences to converge. Rules and mechanisms of both the LAIA and the GATT would be used for the resolution of disputes between member states.

Initially the Andean nations did not express much interest in SAFTA. However, the issue was eventually brought up again in April 1998. After a long process of negotiations, the AC and MERCOSUR signed in Buenos Aires a framework agreement for the creation of an enlarged free-trade area and the promotion of economic cooperation and harmonization of policies. Nevertheless, in face of the difficulties to strike a final agreement between the two blocs, Brasilia decided to go ahead bilaterally and in August 1999 signed a Partial Scope Economic Complementation Agreement with the AC. In June 2000 a similar agreement was concluded between the Andean nations and Argentina.

The First South American Summit

In March 2000, President Cardoso convened the first meeting of South American heads of state. The meeting was to be held in Brasilia on August 31 and September 1. The summit originated both as a consequence of consensus among MERCOSUR members to initiate a political dialogue conducive to create further links with the AC and as an invitation President Cardoso had planned to make to all his South American colleagues as part of the celebrations for the 500 years of Brazil's discovery by Portuguese settlers. During a speech pronounced at the MERCOSUR Economic Summit held in Rio de Janeiro on May 7, 2000 Cardoso was emphatic to underline MERCOSUR should avoid turning

into an isolated sub-region and advocated the creation of mechanisms to allow for the bloc's expansion so as to include the Andean countries in a preparation for the hemispheric market proposed by the FTAA. On the other hand, in a major Brazilian diplomatic effort to find support for the summit, Itamaraty –the Brazilian Foreign Office– sent ambassador Ivan Cannabrava –one of its most influential diplomats– to court all attending parties in order to fix a five-point agenda for the meeting, which included: (1) physical integration, comprising a network of road and rail links, river routes, telecommunications and energy production projects; (2) commercial integration through trade liberalization; (3) the strengthening of democracy; (4) setting a common policy against drug-trafficking and ordinary crime to be achieved through the exchange of intelligence information; and (5) development of scientific knowledge and information technology. Emphasis was to be placed on cooperation and shared responsibilities.

To this point, it is interesting to note that, in conceptual terms, the recent call for sub-regional integration has changed its traditional focus. In the past, emphasis had been made on trade and economic issues to bring countries together. This time, Brazil launched an initiative based solely on geographic proximity. This explains why countries like Guyana and Suriname were also invited to the summit. The geographic rationale was highlighted by President Cardoso and Luiz Felipe Lampreia, Brazilian Foreign Relations Minister, when asked about the contradiction between Brazil's defence of democracy and Brasilia's invitation including presidents Alberto Fujimori (Peru) and Hugo Chávez (Venezuela) –two political figures associated with rather undemocratic practices. Although criticized of 'inconsistency', Brazilian government officials insisted criteria for convening the summit had been strictly geographical, not political.

Lampreia further explained the reasons for limiting the invitation to South America were to be found in the acknowledgment of common interests and threats derived from territorial proximity and the growing economic interdependence within the sub-region. Moreover, to the question of why convening the summit at this particular juncture, Brazilian officials argued two elements in the sub-region's history emerged as relevant. On one hand, during the past three decades South America had been characterized by its authoritarian and military regimes. Never before had there been a time where democracy was so wide-spread in the sub-region. On the other hand, traditional rivalries among

countries had made it impossible to think of such a meeting before. Improvement of bilateral relations between South American nations took place only recently. MERCOSUR –which includes traditional foes such as Brazil and Argentina– and the ending of a conflict over borders between Peru and Ecuador being just two examples of this.⁴ Thus, both peace and democracy were cited as the shared values which –along with geographical proximity– are making possible the emergence of a common South American agenda. Nevertheless, while Brazilian officials denied their country has given up hopes on the FTAA, it has been argued Brazil sees the slowdown in U.S. free-trade enthusiasm as an opportunity to emerge as the leader of a new South American trade bloc. In fact, Washington and Mexico could be the most affected by a newly assertive Brazil.

U.S. reactions to the South American summit

Between August 15-19, 2000 in an unprecedented diplomatic effort and only a few weeks before the summit at Brasilia actually took place, U.S. Secretary of State, Madeleine Albright, scheduled a trip to five South American countries including Brazil, Argentina and Chile. Officially announced as an attempt to drum up support for the U.S. plan to give Colombia \$1.3 billion in aid to fight drug trafficking, the trip may have also served to find out more about what was behind the South American summit and to express Washington's concerns about the meeting's implications for the future of the FTAA process.

During her visit Albright declared the U.S. believed the summit represented a building-block towards regional integration and contributed to the strengthening of the democratic processes in the Americas.⁵ However, recent U.S. political declarations sharply contrast with policy actions adopted during past months. One point in case being its policy to fight drugs in Colombia. The prominent role assumed by Colombia in Washington's recent initiatives differs with previous U.S. policies. When President George Bush visited Cartagena in 1990, the Presidents of Peru and Bolivia were also invited as an expression of U.S. coordinated actions against drug-trafficking in the region.⁶ However, a decade later, Colombia stands as the key player, despite the inconsistency and failure which characterises recent Colombian policies on drugs and subversion.

Although one of Brazil's major concerns about Plan Colombia is the indiscriminate use of chemicals and biological devices, within Brazilian military circles it is believed U.S. drug policy in Colombia hides a longer-term objective aimed at controlling the Amazon basin. According to Brazilian strategists, the Colombian crisis could serve as a pretext for the deployment of U.S. troops in the region. In fact, when Albright visited Brazil, it is reported Cardoso was asked to open military bases and lend their radar systems to serve as platforms for the military aid component of Plan Colombia.⁷ Minister Lampreia –sheltered in the non-intervention principle– emphatically announced Brazil did not have the same level of commitment as the United States in the program and refused to get directly involved in “extra-regional initiatives” that could result in a deepening of the conflict. Albright and her deputy, Thomas Pickering, insisted drug-trafficking had become a “regional” problem to be solved collectively.⁸

Furthermore, as revealed by William Cohen, U.S. Defence Secretary, Washington would like South American governments to consider the situation in Colombia as a “sub-regional defence threat” instead of a simple “domestic drug-trafficking” problem.⁹ In fact, border countries (including Brazil) fear the implementation of the plan will worsen the existing situation by spreading violence and relocating coca plantations, people and guerrillas into their territories. The Colombian conflict has already led to Colombian guerrilla incursions into Panama and Venezuela for safe haven.

Within this context, the date chosen by Clinton to visit Colombia and launch his aid plan –August 30, one day before the inauguration of the South American summit in Brasilia– may have not been just a coincidence. It can be speculated the announcement was aimed at increasing public awareness in South America about the drug and subversion problems in Colombia and the need for international action. At any rate, the direct consequence of Clinton's visit to Cartagena was that, originally not included in the summit's agenda, the issue took centre stage during the first day of the meeting. The South American Presidents asked to be briefed more extensively during the summit about the implications of direct U.S. involvement in Colombia so as to avoid undesired consequences deriving from the actions to be implemented. Thus, with the launching of Plan Colombia, the U.S. put Brazil in a contradictory position. On one hand, Brazil emerged as the South American leader by convening the summit and advancing its SAFTA and physical integration projects. Yet, the Brazilian diplomatic

traditional line suggested it remained ambivalent regarding the serious problems faced by its South American fellows, effectively questioning its ambitions for effective leadership.

On the other hand, the United States has not only evidenced a defined policy towards Colombia in recent months, but has emerged as the leader of an initiative which it is trying to turn into international concerted action. During his visit to Cartagena, Clinton sent a clear message, even pledging economic support to those countries directly supporting the efforts being made in Colombia. By being pro-active, the United States has penetrated what Brazil pretends to be its exclusive zone of influence, and is taking actions with a clearer voice than that of Brazil. Some consider this an indication that once again Washington was able to dictate the moves of the South American geopolitical board, while the Brazilians had just to watch. Furthermore, Clinton's visit to Colombia reaffirmed Washington's preference for unilateralism in the Americas, reinforcing suspicions about its real intentions behind the FTAA project.

The Declaration of Brasilia

The South American Presidential summit concluded with the adoption of a document for future action. Among the major agreements included in the 'Declaration of Brasilia' are worth mentioning:

- Constitution of a Zone of Peace (Article 5).
- Respect for the so-called "democratic clause" was established as a necessary condition for future participation in sub-regional and regional initiatives (Articles 22 and 23).
- Adoption of concrete actions to promote the creation of a free-trade area between MERCOSUR and the AC by January 2002 ascribing to the principle of "open regionalism" (Article 31).
- Support towards the constitution of a larger FTAA by 2005, but under a model which guarantees better economic conditions for South America (Article 34).
- Development of physical infrastructure projects following the guidelines proposed by a joint IDB/CAF report (Articles 36 to 46). A ministerial meeting was to take place in Montevideo, Uruguay, before the end of the year to develop an Action Plan for Regional Infrastructure Development.¹⁰

- Creation of a South American “Financial Action Task Force” (GAFISUD) to combat drug-trafficking and money laundering (Articles 50 and 51).
- Creation of a South American fund to stimulate scientific and technological cooperation activities (Articles 56 to 59).

However, despite its general optimistic tone and its endorsement of Cardoso’s “asymmetric globalization” thesis, the summit concluded with some sceptical remarks about sub-regional integration. Argentine President De la Rúa declared the South American integration dream constituted an idea whose process had to be worked out gradually. In the same vein, commenting on the prospects for success of the newly launched initiative, Colombian Foreign Minister, Martha Lucía Ramírez, said “in the past, we have set many deadlines for the launching of sub-regional free trade initiatives, but we have missed them all. Therefore, we have to be realistic and advance slowly”.¹¹ Both declarations clearly oppose the more optimistic positions of Brazilian and Venezuelan presidents who would rather prefer an acceleration of the sub-regional integration process. Furthermore, at the end of the meeting, President Ricardo Lagos called upon his colleagues not to forget the Latin American nations from Panama to the Rio Grande. “We have to look at Latin America in its completeness, as a broader integration process”, Lagos said, expressing concerns about Mexico being excluded, diluting somehow the Brazilian-crafted ‘South American’ concept, and hinting Chile’s close links with its northern counterpart.¹²

Likewise, the inclusion of a communiqué on Colombia to the final text of the presidential declaration reflects the results of the negotiations conducted behind the scenes between Cardoso and Chávez on one side, and the rest of South America, on the other. Although the presidents declared its support to the peace process in Colombia and praised the courageous efforts undertaken by president Pastrana, no explicit reference to ‘Plan Colombia’ was made, nor to drug-trafficking counter-initiatives with U.S. support. Nonetheless, Colombian diplomats considered the inclusion of the communiqué a political victory given that before the summit many Presidents held a critical position regarding the launching of the plan.

Nevertheless, the inclusion of the communiqué could also be interpreted as a Brazilian strategy to avoid overt confrontation with Colombia and obtain its later engagement in SAFTA. Indeed, for the same reason, Brazil may have decided to step by the side and not participate in the critics against Presidents Chávez and Fujimori in other fora such as the OAS. It should not be forgotten that Venezuela and Peru may play an important role in brokering the fusion of MERCOSUR and the AC. If Brazil wants them in, imposing sanctions is certainly not the best bait. However, once they are in, democratic clauses can be developed in order to maintain political stability. Thus, Brazilian foreign policy may not be interpreted as ambivalent and lacking support for its troubled neighbouring countries, but as serving its own long-term geopolitical interests.

III. MEXICO: A BRIDGE OR A ‘TROJAN HORSE’?

Since Mexico started negotiating its participation in NAFTA in the early 1990s, much controversy has been raised about the true intentions behind the official discourse of Mexican foreign-policy towards Latin America. Strongly bonded by history, language and religion to its southern neighbours, it is argued Mexico may have relinquished its heritage by opting to establish a strategic alliance with the United States so as to secure its economic future. Yet Mexico knows that by establishing closer links to Washington it risks isolationism from the rest of Latin America. This explains why at the official level Mexico continues to assert itself as a Latin American actor and a key player in both economic and political regional affairs. This apparent dichotomy has generated speculations about Mexico being either a ‘bridge’ which could facilitate the integration of Latin America with the United States or a ‘Trojan Horse’ becoming the champion of U.S. interests, particularly regarding the FTAA project.

Mexico has unquestionably used NAFTA to enhance its international status. Selling itself as a platform to the U.S. market, it actually enticed several countries to sign bilateral or multilateral trade agreements with it. However, the advent of Vicente Fox to power, may mark a shift in the country’s international priorities. Indeed, after his election in July 2000, Fox’s first international act was a four-day trip to South America. During his visit Fox declared NAFTA membership did not prevent Mexico from entering free trade agreements with other countries in the region and hoped closer relations with South America would be developed, particularly with MERCOSUR. Asked about possible negative reactions in Washington after his announcement, Fox stated negotiations between Mexico and

MERCOSUR were in the interest of the U.S. since they meant a first step towards the constitution of a larger FTAA.

The future course of Mexican foreign policy will certainly depend on what kind of advice the President gets. Fox is a former business executive believed to be deeply trade-oriented. But his chief advisors, Jorge Castañeda and Adolfo Aguilar Zinser, were both openly sceptical about NAFTA when it was originally proposed. However, in spite of the prominent profile of his advisors, Fox has already made clear his intension of strengthening Mexican relations with South America. In fact, rapprochement was an important issue during Fox's visit to Chile, Argentina, Uruguay and Brazil between August 8-11, 2000. In a press conference in Buenos Aires, Fox revealed concrete steps had already been adopted towards formal and deeper integration with MERCOSUR member countries.¹³

Nevertheless, in Brazil Fox declared himself a strong partisan of the creation of a FTAA, generating worries about Mexico's real intentions regarding regional integration. Fox declared Mexico was not trying to assume the position of spokesperson of Latin America at the FTAA negotiations, and suggested Mexican participation in NAFTA may prove valuable for its Latin American neighbour, alluding to the role Mexico could play in bridging the coupling of the NAFTA to a SAFTA bloc yet in formation. In any case, although the tone of Fox's declarations in Brazil may reveal some sense of ambiguity, it could also be understood as a provocative response to Cardoso's refusal to invite Mexico to attend the South American Presidential summit later that month. Fox was blatant to declare "not being asked to participate in the summit leaves us a little envious. We would have liked to be invited".¹⁴

Similar concerns were manifested by then Mexican Ambassador to Brazil, Jose Eduardo Navarrete, who expressed his apprehension about the summit's 'hidden agenda' and warned against the launching of a "South American Fortress" which could fuel regional disunity. Ambassador Navarrete made this declaration after former Brazilian Minister of Industry and close friend to Cardoso, Celso Lafer, provocatively suggested North America ended in Panama and that Mexico had excluded itself from a larger Latin American integration project since it became a member of NAFTA.¹⁵

Within this context, Brazil's final acquiescence to allow Mexico to send an observer to the summit may have indeed resulted from the effective lobby made by Fox and Albright during their respective visits to South America. However, Chilean President Ricardo Lagos' personal pressure on Cardoso should not be left out of the picture. In fact, Lagos may have benefited from his privileged bargaining position resulting from Brazil's desire to see Chile become a full member to MERCOSUR. It is also interesting to note the importance of an emerging Mexican-Chilean political alignment, particularly manifested by existing personal links between Presidents Fox and Lagos.¹⁶ Fox and Lagos are active participants of a conscious attempt to consolidate an international alliance between the moderate centre-left and the liberal centre-right parties throughout Latin America. The project originates from the so-called 'Alternativa Latinoamericana' initiative, as is known a series of meetings of Latin American intellectuals and politicians originally convened by Roberto Mangabeira Unger from Brazil and Jorge Castañeda from Mexico.¹⁷ The initiative is be aimed at downplaying the emphasis put on the markets by the neo-liberal orthodoxy and inducing more 'progressive' public policies concerted collectively with the participation of as many sectors of the civil society as possible. Thus, it is not a coincidence Chile was chosen as the first stage in Fox's South American tour, leaving Brazil to the very end.

Furthermore, after their meeting in August 2000, Presidents Fox and Lagos met again in Santiago early in October on the occasion of the first ever world conference of Christian Democratic parties. However, the milestone of the reunion was the attendance of Colombia's President Pastrana. On his way to Chile Fox visited Pastrana in Bogota and publicly expressed support for Plan Colombia. It was the first time Fox declared about the subject suggesting a concerted approach between Washington and Mexico trying to win allies as regards U.S. drug policy in the region. Within this context, the establishment of a Mexican-Chilean axis –and its possible extension to other countries as revealed by the recent Mexican attempt to revitalize the G-3 with Colombia and Venezuela– could be understood as a deliberate attempt to debilitate Brazilian influence in the sub-regional.

Indeed, the announcement in early December 2000 of the initiation of negotiations between Santiago and Washington to established a bilateral free-trade agreement, blew the Brazilian hopes to see Chile become a full member to MERCOSUR, which was to be approved during the bloc's

presidential summit later that month. Brazil interpreted this as an act of treason and Chile's accession to MERCOSUR was postponed. Only in May 2001 Lagos paid a visit to Cardoso making prospects to overcome the stalemate reasonable. However, in the meantime, Mexico pressed to conclude a trade liberalization agreement for the automobile industry with MERCOSUR, which is expected to be closed very shortly. Within this context, it has been argued Chilean presence in MERCOSUR could be made conditional to an eventual inclusion of Mexico in the bloc, or at least the granting of associated member status –as the one already enjoyed by Chile within MERCOSUR.¹⁸ Thus, although publicly denied, Mexico may apparently be getting ready to dispute with Brazil the leadership of Latin America as the region's spokesperson in the final stages of the negotiation for the FTAA.

SOME TENTATIVE CONCLUSIONS

From a geopolitical point of view, the proposal for regional integration encompassed in the FTAA project has engendered a number of reactions from major actors in the Hemisphere. On one side, there is the U.S. advocacy of the so-called 'Washington Consensus' based on a project of convergence around democratic principles and neo-liberal economics. Much attention has been given to this issue as a natural result of the ongoing globalization process, world-wide financial deregulation and the activities of multinational corporations in the post-Cold War era.

However, a closer look at foreign-policy decisions of other regional key players may reveal diverging concerns which could prove to be irreconcilable and may ultimately impinge upon the final course of existing regional integration initiatives. In all, regional integration is not being judged based solely on the economic rationale behind it, but also –and perhaps more importantly– considering longer term geopolitical objectives, as expressed in the visions different countries have of world politics and the roles they would like to play in the emerging regional and world orders.

Within this context, the 'asymmetric development' thesis combined with a 'logistical state' vision of world affairs make of Brazil's geopolitical project one of consensual nature. Engagement from its immediate neighbours –particularly Argentina, Chile, and the Andean countries– becomes crucial for success. Through MERCOSUR, Brazil may have already taken decisive steps to secure Argentine support by establishing an initial platform for sub-regional power projection and bargaining in the larger hemispheric and world stages. Yet confidence in a common political project has eroded

recently due to economic instability and serious difficulties to harmonize monetary policies, which in turn are affecting bilateral trade. As argued before, Argentina is showing ambiguities regarding sub-regional integration as a consequence of adopting a different view of world politics than that embraced by Brazil. Argentina sees itself as a 'trading-state' for which the well-being of its citizens can only be guaranteed by further integration into the world economy. In order to materialise this objective, regional integration may be just one among several options available, while bilateralism emerges as a reasonable alternative. This implies, in turn, the abandoning of previous policies of political opposition to major powers, from whom now it is hoped economic benefits could be ripped off by engaging with them. This explains why in recent years Buenos Aires has placed more emphasis on the political dimension of its foreign relations, particularly regarding the United States. Certainly, Argentina may have chosen to go along a two-track road, MERCOSUR being just one option to achieve its long-term geopolitical goals, while a deeper policy alignment with Washington could also prove valuable in terms of economic benefits. Yet Argentina seems not to have a clear position about its chosen strategy, sometimes ascribing to sub-regionalism and further cooperation with Brazil, sometimes hinting it could use bilateralism as a weapon to obtain concessions from its bigger sub-regional partner.

On the other hand, unlike Argentina, Chile and Mexico exhibit a clearly defined geopolitical strategy aimed at establishing bilateral, regional and multilateral alliances. Indeed, Chile –which also considers itself a 'global trader'– has made clear it wants to deepen its bilateral links with both the U.S. and Mexico, but also with the EU and other South American countries. At the multilateral and regional levels, Chile's adherence to the GATT/OMC principles, and its ongoing participation in negotiations within the FTAA framework, MERCOSUR and APEC constitute further attempts at creating a network of foreign alliances that will guarantee the economic well-being of the country in an ever growing interdependent and globalized environment. In this respect, Mexico seems to have opted for a similar strategy, as expressed in its multiple engagements in NAFTA, APEC, the G-3, bilateral negotiations with the EU, the FTAA and its recent approach to MERCOSUR. Furthermore, Chile may be betting to play a bigger role in the Hemisphere by being closely associated with the U.S. and Mexico, so as to become a gateway for investment and trade in South America. Colombia may be

inclined to play a similar role, and its recent endorsement of U.S. drugs policy in the region would be an indication of the existing trade-off between securing access to U.S. markets and making concessions to U.S. hemispheric policies.

Thus, Brazil will have to show its muscle in the months to come if it really wants to consolidate its bid for expanding sub-regional integration in South America. In fact, for many commentators, the sole occurrence of the first South American summit in Brasilia last year suggested the existence of a fault-line between North and South in the Hemisphere. Furthermore, as evidenced by recent events, the evolution of regional politics could bring about a re-enactment of past political confrontations between Brazil and Mexico –the former trying to merge the AC to MERCOSUR and negotiating Chile’s full entry into the bloc, the latter trying to strengthen the G-3 and establish further links with Chile and MERCOSUR itself.

In this scenario, diplomatic efforts to secure Argentina’s participation in MERCOSUR and obtain support from Andean nations such as Venezuela –which has stated its intention of seeking an agreement of its own with MERCOSUR– and Peru –which recently returned to democracy and will have the opportunity to broker further rapprochement among parties by hosting to the Iberian-American heads of state summit next October– will be crucial elements for the advancement of Brazil’s preferred geopolitical strategy. The coming summit will certainly be the stage where Brazil and Mexico will contest again for regional leadership.

If Brazil succeeds in consolidating the so-called SAFTA project, efforts for the launching of the FTAA as a ‘continental project’ may not be derailed however. In fact, with a South-American bloc in place, Brazil –which is to co-chair with the U.S. the final steps of the FTAA negotiations– will be in a better position to become the spokesman of the sub-region and advance its own agenda, pushing to sign an agreement which provides for differential treatment of the relatively less developed economies within the Hemisphere, while avoiding the inclusion of clauses related to labour and environmental standards. Willingness of the United States to concede on certain issues in order to engage Brazil in its hemispheric project will be then crucial to the final outcome. In turn, this will be determined by the level of compromise shown by Washington to exercise leadership in the future of Inter-American relations.

On the other hand, if a larger South American bloc does never come close to reality and the United States pushes forward the FTAA idea –even without Brazil– a vision of a Hemisphere split into two different –although interrelated– blocs would gain ground. A rich north –including Canada, Mexico, Central America and the Caribbean– tied to the United States, and a southern region –the MERCOSUR countries led by Brazil– eventually tied to the European Union. Both blocs competing to entice Chile and the troubled Andean countries into their respective areas of influence.

As stated before, the consolidation of MERCOSUR is highly dependent on Argentina's engagement. Within this context, Brazil has been accused –both domestically and elsewhere– of being too complacent with Buenos Aires so as to maintain its allegiance, particularly regarding the latter's economic policy –as expressed in its recent unilateral departure from MERCOSUR's common external tariff and modifications to the 'convertibility plan'. Some Argentine officials have even suggested they might emulate the Chileans and seek a separate bilateral trade agreement with Washington, while Uruguay has hinted it might do likewise. However, Argentina may not be in a position to toy with such an idea, given its ever-growing dependence on Brazilian markets and cooperation for economic development.

In an alternative scenario, if MERCOSUR breaks up, Brazilian efforts to consolidate a South American bloc may ironically work in Washington's interests by bringing together countries like Argentina, Chile, Colombia and Ecuador, which for different reasons may end up identifying greater long-term benefits by joining the FTAA even though Brazil may not take part in its initial launching by 2005.

An additional factor to be considered is the presidential succession process which will take place in Brazil by the end of next year. With Cardoso out of office, and diminishing support for his government coalition, it remains to be seen whether the new Brazilian administration will advocate the type of policies that Brazil has defended so far regarding the FTAA. Additionally, the evolution of the interesting link between Mexican and Chilean foreign-policy will certainly be another important variable for the final outcome in regional integration.

In any case, this exercise in strategic thinking reveals the regained importance of states, geopolitics and foreign-policy decisions in the shaping of integration agreements as an instrument of regional governance, while reducing the emphasis placed on markets and globalization trends –as enshrined in the ‘Washington Consensus’– as the major catalysts for recent hemispheric trade liberalization proposals.

Finally, an issue not addressed in this paper, but which certainly deserves further scrutiny, refers to the role to be played by civil society groups and their influence on foreign-policy decisions adopted by individual actors. In this regard, the creation in 1998 of the *Committee of Government Representatives on the Participation of Civil Society* during the FTAA Fourth Trade Ministerial Meeting in Costa Rica constitutes the first effort to include views from these groups regarding regional integration. Yet its impact on foreign-policy decision-making and the transnational links among these groups remains to be explored.

NOTES

¹ Karl Polanyi (1944) and John Ruggie (1982), who have attempted to explore the social embeddedness of markets, constitute perhaps the only two relevant exceptions to this omission.

² Respected economists such as George Soros and Dani Rodrik claim trade liberalisation and market opening for countries like Brazil will eventually constrain growth and conduce to the exacerbation of inequalities. Relatório Especial UNIR n° 058/2000, “A Falência do Consenso de Washington”, Brasília, September 29, 2000.

³ INTAL (2000) and Gazeta Mercantil, “Comercio no Mercosul deve crescer”, October 9, 2000.

⁴ Furthermore, South American nations are increasingly turning to Brazilian diplomats –and not to the United States as they did in the past– to broker their border disputes. It was the case with the negotiations between Peru and Ecuador. Similarly, Venezuela wants Brazil’s help to solve a border dispute with Guyana, and land-lock Bolivia is urging Brazil to intervene in a century-old dispute with Chile over access to the Pacific Ocean.

⁵ El Clarín, “Una visita relámpago al Brasil.” Buenos Aires, August 16, 2000.

⁶ It has to be remembered also that during his 1998 South American tour, President Clinton intentionally omitted Colombia from its itinerary as a signal of disapproval towards Colombian drug policy.

⁷ La Jornada, “La cumbre de Brasília ante el expansionismo estadounidense”, August 31, 2000.

⁸ El Nacional, “Sudamérica dibuja su propio mapa político y comercial”, August 31, 2000.

⁹ Estado de Sao Paulo, “A Amazônia é problema nosso”, October 19, 2000; El Clarín, “Sin Apoyo al Plan Colombia”, October 19, 2000.

¹⁰ Transportation between MERCOSUR and the Andean countries can be an extremely painful experience due to geography. Therefore, the development of physical integration projects would facilitate the coupling of both blocs and increase its competitiveness in international markets. Over 350 projects already identified in road, fluvial and railway development could be implemented over the next ten to twelve years at an estimated cost of \$180-210 billion. Brazilian experts are particularly interested in supporting the expansion of the five major existing commercial routes in the sub-region and the consolidation of other two. It is argued, however, the projects will benefit directly several Brazilian corporations, constructors, developers and suppliers. Energy supply is also a major concern for Brazil. Indeed, although the Brazilian economy contributes half the total output produced annually in South America, Brazil lacks energy and other resources in the amounts demanded

by its economy. Brazil needs its neighbours rich in resources such as natural gas (Argentina and Bolivia), oil (Venezuela), coal (Colombia) and minerals (Chile and Peru) to consolidate its growth. The joint report also suggested that in order to assure sustainability in the use of natural resources and conservation of the environment, the projects should be carried out jointly by the governments and private corporations. However, it is expected 60 percent of the debt will have to be contracted by the South American public sector.

¹¹ El Tiempo, “2002: ¿Zona de Libre Comercio?”, September 2, 2000.

¹² La Jornada, “Urge Cardoso a concretar el sueño de una comunidad sudamericana”, September 2, 2000.

¹³ El Clarín, “Fox o la seducción del sur: Un puente con el MERCOSUR”, August 6, 2000.

¹⁴ Indeed, this was not the first time Mexico was allegedly excluded from regional integration initiatives by the Brazilian diplomacy. Back in the 1960s, Mexico was not invited to become part of the Latin American Free Trade Association (LAFTA). It was only at the insistence of the Mexican Foreign Office –and particularly of Ambassador Antonio Ortiz Mena– that it was reluctantly admitted as a signatory to the Treaty of Punta del Este (1961). El Universal, “Ninguna sumisión ante EE.UU.”, August 8, 2000.

¹⁵ El Clarín, “Comenzó a discutirse en Brasil la integración de Sudamérica”, Buenos Aires, August 3, 2000. El Mercurio, “Sudamérica dibuja su propio mapa político y comercial”, Santiago de Chile, August 31, 2000.

¹⁶ Although associated to the right because of his affiliation to the Partido de Acción Nacional (PAN), its links to Castañeda and Aguilar Zinser allowed Vicente Fox establish contacts with the Pro-Democracy Concertation in Chile. La Jornada, “Fox: ¿Misión imposible?”, August 7, 2000, El Mercurio, “El sueño verde-amarelo. Líderazgo brasileño en Sudamérica”, September 3, 2000.

¹⁷ Meetings have taken place in Costa Rica (1996), Maitencillo, Chile (1997) and Tepoztlán, Mexico (1998). Other Latin American personalities taking part in the group are former Presidents Carlos Salinas de Gortari (Mexico) and Itamar Franco (Brazil); Cuahtémoc Cárdenas (Mexico); Andrés Manuel López Obrador (Major of Mexico City); Manuel Camacho (former Chilean ambassador to the U.S.); Graciela Fernández Meijidi (Argentina); Carlos Ominami (Chile) –these last two close advisors to Presidents De la Rúa and Lagos, respectively. Gazeta Mercantil, “Objetivo de Fox é acordo com Mercosul”, Sao Paolo, August 7-13, 2000.

¹⁸ It has to be recalled also that when the Andean nations tried unsuccessfully to consolidate their own sub-regional integration process in the early 1990s, Mexico rushed to close a free trade deal with Colombia and Venezuela –in what later became to be known as the ‘Group of Three’, recently re-launched by Fox, curiously-effectively creating divisions and breaking the Andean bloc in two.

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