

Latin America and the Re-Centering of Global Power

Written by Gian Luca Gardini

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GIAN LUCA GARDINI, JUL 5 2013

The “traditional West” – Europe and North America – seems to be looking at global power shifts with increasing apprehension and concern. These attitudes are generally ascribed to civilisations in perceived decline, fearful of losing international status and position (Koch and Smith, 2006). However, the “West” stretches beyond Europe and North America, comprising regions of the world such as Australia and New Zealand (Limes, 2000) and Latin America (Rouquié, 1998). These see themselves as part of the Western civilisation and abide by “Western” values. Yet, the “peripheral West” – as opposed to the traditional – assesses recent developments at the global level in quite different ways given their geographical location, endowment of natural resources and level of development. This article investigates what is Latin America’s place in the perceived re-centering of power at the global level and argues that the region is among the great beneficiaries of such changes. The argument is developed following three key questions. Firstly, how Latin America perceives and relates to the shifts in the distribution of international power. Secondly, how, if at all, these perceptions have influenced dynamics of regional interaction and, more specifically, cooperation. Thirdly, how the recent crisis has fared in comparison to past defining moments in reshaping Latin American national and regional strategies.

How Does Latin America Assess Shifts in the Distribution of Power in the Global Arena?

Power is not only the “currency of international relations” (Mearsheimer, 2001) but a contested notion too. So, what do we mean when we say that power shifts are taking place in the global arena? Do we refer to rising economic powers? Or do we indicate the increased military capability of states previously less prominent in this department? Or else the acknowledgement that global political influence and/or leadership is not steadily in the hands of the usual suspects of the post-World War Two or post-Cold War era? Or a combination of all of these? In order to assess how Latin America situates itself within these power shifts, Steven Lukes’s three dimensional definition of power is adopted (Lukes, 2005). The first dimension refers to material capabilities, essentially economic and military. The second dimension focuses on the control of the agenda, which allows actors to push for or impede an issue to arise at the international level. The third dimension addresses the power to define mental categories, concepts and ideals that we employ, and to set models of behaviour and thinking.

In terms of the first dimension, economic and military capability, the planetary attention focuses East, towards China, India, and the other fast-growing Asian economies. The point is that economic power is expected to lead, almost inevitably, to political influence. One may want to look elsewhere too. In economic terms Latin America is generally doing well. Results are unevenly spread among countries in the region but overall Latin America is very much at the centre of the economic shifts and redistribution of power that are currently taking place. As one analyst noted, “what if Latin America ruled the world?” (Guardiola Rivera, 2010). If one looks at economic growth, a quite unsatisfactory but still widely accepted indicator of power as well as wellbeing, Brazil, Peru, Chile, and Colombia, among other Latin American countries have performed well in spite of the crisis and have been able to surf over it relatively well. If one looks at social improvements too, results are impressive especially when compared to the end of the 1990s. Brazil, Chile, Colombia, Uruguay, Ecuador, Venezuela and even Mexico have adopted social policies that resulted in improvements in the quality of life of large chunks of their populations, lifting many from poverty and reducing inequality (ECLAC, 2012). Looking at the redistribution of economic power globally, Latin America seems to be one of the great beneficiaries of recent shifts. *The Economist* suggested that we may now have “a Latin American decade” (The Economist, 2010). And prospects for the future look promising when one considers that Latin America

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has plenty of what the world wants to buy and conceivably will want to buy in the near future: oil, gas, minerals and food. Latin America has been building up its material capabilities in the last ten years or so and seems to be benefiting from recent global power shifts.

In terms of the second dimension, the control of the international agenda, Latin America has substantially improved its position both globally and regionally, contributing more proactively to global platforms and displaying more autonomy from the US and other external actors in regional affairs.

On the global plane, Latin America is certainly more present and influential. However this is due especially to the increasingly assertive role of Brazil. At the United Nations, in its bid to a permanent seat on the Security Council, Brazil has increased its activism, which resulted in its command of the UN mission to Haiti. At the WTO, Brazil and India have been among the most dynamic members on key issues for the multilateral trade system. Several Latin American countries are members to increasingly powerful coalitions within the WTO, such as the Group of 20[1] or the Group of Cairns[2], putting together emerging developing trading economies and states with important agricultural interests respectively. The European Union has made an exception to its region-to-region strategy granting Brazil a “strategic partnership” that de facto recognises not only Brazil’s own role but also the relevance of the region (through its main power) to global affairs. Commenting on Barack Obama’s 2011 visit to Brazil, the Council on Hemispheric Affairs (COHA), an influential Washington-based think tank has defined Brazil-US relationship as one among “equal partners” (Walker, 2011). Overall, internationally more partners are now available to Latin America as compared to the Cold War years or the following decade. With an increased spectrum of ideological options, potential partnerships, and issues on the table, also Latin American autonomy and negotiating weight are on the rise.

The regional agenda too is now more independently set. The US and its multilateral branch in the region, the Organisation of American States (OAS), have been largely absent in recent Latin American crises, such as the democratic turmoil surrounding the impeachment of President Lugo in Paraguay in 2012, the coup in Honduras in 2009, the 2008 constitutional crisis in Bolivia, and the Ecuador-Colombia diplomatic crisis in 2008. More and more Latin America, under the discreet supervision of Brazil, has been able to sort out its own regional frictions. Also at the hemispheric level, Latin Americans felt they could reject the US-sponsored Free Trade Area of the Americas. Although this was not an unprecedented step, it signals a regained autonomy and self-confidence. A warning is however necessary: Not to confuse Brazil’s growing global role with Latin America’s as the two do not coincide. That said the power of control of the agenda that Latin America as a region is able to exercise today, through Brazil or otherwise, is steadily on the rise.

Also in terms of the third dimension of Lukesian power, the capacity of proposing models and mental categories, Latin America is an emerging power, although, once again, perhaps through the mediation of its more prominent state: Brazil. Latin America is one of the leading regions in the questioning of the still dominant neoliberal paradigm. With a variety in intensity and solutions Latin America has successfully revisited neoliberalism, keeping firm principles of sound economic management but importantly bringing the state back in and prioritising social development over mere economic growth. Not only has Latin America proposed itself as a political and economic laboratory for this kind of experiment but has set successful standards and models in this direction. The Brazilian development model, which has ensured sustained economic growth with effective redistributive policies and fight against poverty and inequality, is now being exported to other Latin American and African countries (Ayllon, 2010). Fifteen years of President Chavez’s rule in Venezuela have made the country the most equal in the continent in spite of persisting problems (UN-Habitat, 2012). Latin America today offers its own model of development, and if one is reluctant to acknowledge the effectiveness of Latin American solutions, at least it has to be recognised that Latin America has successfully questioned solutions by others, thus displaying considerable power to define (or at least question) mental categories and models. The third dimension of power, the ideational one, is perhaps the most important as it is the one that gives origin to change. When dominant models are no longer so and are critically scrutinised the gene of change is instigated. At present Latin America is playing a key role in questioning and redefining development models, and its power of attraction is on the rise too.

Latin America is on the rise in each of the three dimensions of Lukesian power, and it is one of the main beneficiaries

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of the re-centering or redistribution of power at the global level. Latin American reading of these perceived shifts is generally quite optimistic. In 2003, the EU Security Strategy paper stated that Europe had 'never been so prosperous, so secure, nor so free' (European Union, 2003). While this statement has left space to sheer pessimism in the "old continent", it is now applicable to Latin America, which has never been better-off in its entire history since independence (Gardini, 2012).

How Have Perceptions of Re-Centering of Power Globally Affected the Rationales and Dynamics of Latin American Regional Co-operation and Institutions?

The first decade of the new millennium in Latin America has been characterised by the questioning of neoliberalism and the search for alternative models of economic and social development. New priorities, such as tackling poverty, inequality and asymmetries, imply the search for new instruments and approaches, and thus a redirection of resources, thinking, and mental categories. The emergence of a redistribution of power globally and in the Western hemisphere more specifically has affected both the very nature and essence of Latin America itself (and the categories employed to define and characterise it, also geographically) and the types of regional groupings and policies to pursue Latin American unity and integration.

Latin America itself as a concept seems to be giving way to different mental maps, political and economic categories and entities that better reflect the new distribution of power as well as the variety of reactions, adaptations, and strategies to face it. The North and the South of the Americas seem to be growing increasingly apart, thus stretching the idea of Latin America itself. With Central America, including Mexico and the Caribbean gravitating more and more into the US sphere of influence and with South America pursuing an increasingly autonomous and alternative stance to the US, Latin American identity and mental boundaries blur. Brazil has historically tended to define its geographical space of reference as South America, rather than Latin America. While this approach has traditionally struggled to make way in the region, Brasilia's accrued economic and political influence seems to have gained disciples to this vision (Piñeiro Iñiguez, 2004; Instituto Rio Branco, 2000). At the same time, a prestigious and independent institution such as the University of Oxford has recently defined North America as everything from the Arctic to the Panama Canal, including the Caribbean Basin (University of Oxford, 2011). This shift in mental categories is both a product and a producer of broader changes in the distribution and nature of power and has inevitably affected the dynamics of regional cooperation and institutions, ever more so because the very definition of the object region is evolving. The possible passage from Latin to South America however poses the question whether the latter is any more coherent as a geopolitical and cultural bloc than the former, and the provisional answer can hardly be positive.

Andrew Hurrell (1995) has suggested that a cohesive region or regional bloc is formed when the bloc is able to define the relations of its members as a whole vis-à-vis external parties as well as the relation among the members themselves. That is to say that a cohesive region determines the dynamics of interaction of the region/bloc internally and externally. This theoretical elaboration is entirely consistent with the historical record and trajectory of Latin American attempts at regional integration and is the ultimate test of cohesiveness for an emerging South American entity. From Bolivar to Alberdi in the 1800s and up to the present day, the fathers of Latin American unity have identified three issues crucial to the cohesiveness of Latin American integration: a) the common position Latin America should adopt towards the United States, historically the major hemispheric power and the global superpower in the last sixty to seventy years. This refers to the external dimension of Hurrell's argument; b) the shared development model, that is to say the internal dimension; and c) the role of Brazil, as the major regional player and therefore as the *trait d'union* between the internal and external dimensions (Gardini, 2011). The ability of South American states to find a unitary position on these three key issues, and therefore to form a cohesive regional entity, is at least doubtful.

Under the current formulations and formats, the emerging South American regionalism, although meant to be an expression of unity and solidarity, has become a stark reflection of diversity and heterogeneity, like its Latin American predecessor had previously done. Even in the presence of supposedly ideological affinities between a majority of the current progressive administrations, Latin and South America are characterized by a number of competing regional projects, whose rationales and agendas are often divergent, if not incompatible. Broadly speaking South American

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countries can choose to join the Common Market of the South (MERCOSUR), the Bolivarian Alliance for the Americas (ALBA), the Union of South American Nations (UNASUR), the Andean Community (CAN), the Pacific Alliance and/or the Community of Latin American and Caribbean States (CELAC), or a combination of these. Focusing on the first three^[3] is enough to appreciate idiosyncrasies and contradictions. First, the relationship with the United States varies from mildly competitive in commercial terms (MERCOSUR), to inconsistent or elusive (UNASUR), to ideologically confrontational (ALBA). Second, the models of development range from open economy and free trade (MERCOSUR), to rejection of free trade in favour of compensation and barter (ALBA), to the impossibility of adopting any model due to divergences between members (UNASUR). Third, the place of Brazil is not clearly defined either. ALBA represents a challenge to its regional aspirations and approach, UNASUR is a Brazilian creation designed to promote Brazil's role regionally and globally, but its leadership is subject to significant limitations, and Brazil's pre-eminence within MERCOSUR is not only contested, but Brasilia itself seems lukewarm and is certainly more interested in its own agenda.

Changes in power dynamics, economic and discursive, regionally and globally have led to the proliferation of integration projects in Latin America and eventually to the gradual but by no means irreversible emergence of a new regional entity, South America, displacing the traditional concept of Latin America. However, the consistency and cohesiveness of the new agglomerate for the time being is at best precarious.

How Significant has the Recent Global Economic Crisis Been in Re-Shaping National and Regional Strategies in Comparison to Any Re-Thinking Prompted by Developments Unfolding Over a Decade or More?

Latin America has a record of striking correspondence between international shifts and change in regional strategies on the one hand and between national variations and regional models and dynamics on the other. The former correspondence may be explained by the high dependence of the region on external actors, markets, and ideas, which have often influenced or even shaped regional preferences and paradigms. The latter correspondence may be ascribed to the lack of supranational organs in regional institutions and most of all to a strong prevalence of presidential diplomacy. Being highly dependent on the intergovernmental principle, Latin American regionalism is particularly responsive to shifts in the priorities and strategies of national executives.

This pattern has characterised Latin American regionalism from its inception and is still largely valid today (Gardini, 2012). In the 1950s and 1960s, with the prevalence in international circles of dependency theory and structuralism, most Latin American governments adopted those theoretical paradigms and followed their policy recipes. As a consequence, the Latin American regionalism of the 1960s, like the Latin American Free Trade Association or the Andean Community in its original version, followed the model of closed regionalism, adopting a development strategy based on closed or insulated regional markets, high trade barriers and state intervention to promote an import substitution industrialisation and shield local infant industry from external competitors.

With the exhaustion of this model in the 1970s and 1980s, the break out of the oil and later the debt crisis, and the fall of the Soviet empire, the newly dominant international mantra became democracy and open economy, favouring export-based growth, private capital, free trade and low tariffs, and fiscal discipline. This set of principles constituted the neoliberal approach to economics and was enshrined in the Washington Consensus (Williamson, 1990). This was largely and enthusiastically adopted by all Latin American administrations with the exception of Cuba and led to a shift in regional strategy too: from closed to open regionalism, in that the region was not to insulate countries from external competition but open them to it and help them reach world markets and ripen the gains of globalisation. MERCOSUR, the North American Free Trade Area (NAFTA), and a re-orientation of the Andean Community are good examples.

When the limits and dark sides of neoliberalism, such as rising unemployment, inequality and poverty, and poor education and health care services, became apparent, many Latin American countries took the lead in questioning neoliberalism and proposed alternative models, adapting or rejecting the paradigm. This is particularly evident in South America but Nicaragua and Honduras have been quite vocal too in this respect. The new priorities of the 2000s include prioritising the fight against poverty and inequality, the centrality of social and redistributive policies,

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and the return of the state to centre stage. This move, followed by a majority of countries in Latin America is reflected in innovative regional integration schemes such the Brazil-led IIRSA or UNASUR or the Venezuela-led ALBA, which regain priority to politics over economics and stress the need for social intervention and the role of the state (Tussie, 2009).

It is perhaps premature to assess the impact that the current widespread economic crisis, which started in 2008, may have on regional strategies in Latin America. However it is interesting to note two things. Firstly, Latin American countries have done quite well in economic terms during the crisis. This is mainly due to exports to China and other growing economies in Asia eager to buy minerals, energy resources and agricultural produce. Secondly, the depth and endurance of the crisis has resulted in two types of reaction. It has further reinforced criticism of neoliberal policies, or their excesses (Venezuela, Ecuador, Bolivia). Alternatively it has prompted a reorientation of export markets to reach those areas of the world with high growth, namely Asia (Chile, Peru, Brazil, Colombia, to an extent Argentina). In both cases, the persistence of the crisis has strengthened the idea that new models are needed. While the proponents of the first reading have strengthened their commitment to anti-hegemonic regional projects like ALBA, the supporters of the second have created the Pacific Alliance, meant to reinvigorate free trade and reorient it towards the Asian markets.

As in previous moments of crisis or transition, Latin America's national choices have responded to international variables quite promptly. The current scenario shows one trait of continuity and one of change. Consistently with the past Latin America has redirected its regional projects following national responses to international input. Differently from previous experiences, the adaptation has not been uniform and is more the result of local thinking and readings than the acceptance or imposition of externally generated models. In either case, defining moments at the international level seem to bring substantial novelty to regional strategies.

Conclusion

Four concluding remarks can be made about the relationship between the perceived re-centering of power globally, Latin America, and its regional dynamics:

- 1) The perceived global power shift seems to be beneficial to Latin America. Its power is growing globally in terms of economic weight, political influence, and capacity to propose models and set standards of behaviour. However one must pay care to distinguish between the achievements of Brazil and those of the region as a whole.
- 2) There has been a proliferation of regional integration projects in Latin America, which reflect shifts in the regional, continental, and perhaps global balance of power. However this activism does not seem to lead towards convergence or cohesion but rather towards divergence and conflict. From a theoretical point of view this is consistent with the proposition that globalisation generates at the same time processes of integration and fragmentation (Clark, 1997).
- 3) Considering the dependency of Latin American regional projects on their respective patrons, one may wonder if neorealism was right after all. Much criticised for its inability to convincingly explain regional integration, or perhaps the European Union experience only, neorealism argued that the presence of a committed leader, hegemon or paymaster is a decisive factor for regional integration. Outside of Europe and in particular in Latin America, this theoretical point seems indeed to fit the bill.
- 4) Readings of the world and its evolution certainly depend on values and cultural traditions. However, level of development, endowment of natural resources and geographical location account for substantial differences between the "traditional West", fearful of and penalised by current shifts in global power, and the "peripheral West", benefiting from these shifts and looking at the future with more hope and confidence.

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Gian Luca Gardini is Senior Lecturer in International Relations and Latin American Politics at the University of

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Bath. He is the author of Latin America in the 21st Century (Zed Books, 2012), Latin American Foreign Policies (Palgrave, 2011), and The Origins of Mercosur (Palgrave 2010).

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[1] Argentina, Bolivia, Brazil, Chile, Cuba, Ecuador, Guatemala, Mexico, Paraguay, Peru, Uruguay and Venezuela.

[2] Argentina, Bolivia, Brazil, Chile, Colombia, Costa Rica, Guatemala, Paraguay, Peru and Uruguay.

[3] The political and economic weight of the Andean Community is today negligible; the Pacific Alliance comprising Chile, Peru, Colombia and Mexico is less than one year old and still largely in the making; and CELAC is essentially a forum for political dialogue with extra regional partners.

About the author:

Gian Luca Gardini is Senior Lecturer in International Relations and Latin American Politics at the University of Bath. He is the author of *Latin America in the 21st Century* (Zed Books, 2012), *Latin American Foreign Policies* (Palgrave, 2011), and *The Origins of Mercosur* (Palgrave 2010)