



Dipartimento di Scienze Politiche

Cattedra di Comparative Politics

VENEZUELA AND BOLIVIA JOIN MERCOSUR:

The Pink Tide and South American Regional Integration

RELATORE

Prof. Leonardo Morlino

PATRIZIA ATTANASIO

Matricola: 625822

CORRELATORE

Prof. Mario Telò

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List of abbreviations and acronyms

ALBA: *Alianza Bolivariana para los Pueblos de Nuestra América* or Bolivarian Alternative for the Peoples of Our America

ALCA or FTAA: *Área de Libre Comercio de las Américas* or Free Trade Agreement of the America

CAN: *Comunidad Andina* or Andean Community

CCM: *Comisión de Comercio* del MERCOSUR

CELAC: *Comunidad de Estados Latinoamericanos y Caribeños* or Community of Latin American and Caribbean States

CEPAL: *Comisión Económica para América Latina y el Caribe* or Economic Commission for Latin America and the Caribbean

CMC: *Consejo del Mercado Común* - Council of Common Market

CPC: *Comisión Parlamentaria Conjunta* - Joint Parliamentary Commission

CRPM: *Representantes Permanentes del Mercosur*

EU: European Union

FOCEM: *Fondo para la Convergencia Estructural del Mercosur* or Mercosur Fund for Structural Convergence

GMC: *Grupo Mercado Común* – Common Market Group

LA: Latin America or Latin American

Mercosur: *Mercado Común del Sur* – Common Market of the South

OAS: Organization of the American States (in Spanish: *Organización de los Estados Americanos*)

Parlasur: *El Parlamento del MERCOSUR* – Mercosur Parliament

PdVSA: *Petróleos de Venezuela, S.A.*

POP: *Protocolo de Ouro Preto* - Protocol of Ouro Preto

RMADS: *Reunión de Ministros y Autoridades de Desarrollo Social del Mercosur*

UN: United Nations

UNASUR: *Unión de Naciones Suramericanas* or Union of South American Nations

Introduction:

How to Read This Work

1. Justification of the choice and work plan

Exploring Latin American regionalization is fascinating for several and profound reasons. The regional experience of this area of the world can contribute to make an interesting comparison with other similar experiments, such as for example with the most developed regional organization: the European Union. Moreover, the analysis of LA regional organization can lead to a stimulating investigation on the connection between democracy and regionalization. However, it is remarkable how differently Regionalism has been interpreted in South America: its scopes, aims, strategies and involved actors have changed several times in the last few decades. For these reasons, I have decided to focus my attention on the regional experiences, which have characterized the region in the last two decades.

Latin American regional integration has experienced singular styles and different orientations throughout its history and development.¹ One of the most relevant regional experiences in this context is probably Mercosur, or *Mercado Comun del Sur* in Spanish, a market liberalisation initiative promoted by Brazil and Argentina in the early '90s to eliminate trade barriers and foster economic growth.² With the Treaty of Asuncion (1991) and the Treaty of Outro Petro (1994) the organization defined its institutional and legal framework,³ but without attempting a process of supranationalization (like the EU did, on the opposite); its structures and procedures remain based on intergovernmentalism.⁴

However, regionalization experiences in the region have been subjected to a process of change with the arrival of the Pink Tide in Latin America.⁵ In particular, the leadership of presidents Lula and Néstor Kirchner promoted a profound renovation of Mercosur, which since the early 2000s experienced an important shift in its agenda, one that tended to

¹Riggirozzi, Pia, and Diana Tussie, eds. *The rise of post-hegemonic regionalism: The case of Latin America*. Vol. 4. Springer Science & Business Media, 2012.

²Gardini, Gian Luca. "MERCOSUR: what you see is not (always) what you get." *European Law Journal* 17, no. 5 (2011): 683-700.

³ibidem

⁴ibidem

⁵Riggirozzi, Pia, and Diana Tussie, eds. *The rise of post-hegemonic regionalism: The case of Latin America*. Vol. 4. Springer Science & Business Media, 2012.

privilege social and political issues affecting the bloc.⁶ During the presidency of these two leaders Brazil and Argentina led the organization throughout the implementation of a series of initiatives and projects that aimed at reducing poverty, decreasing disparities and promoting social dialogue among Mercosur's members.⁷

This study essentially tries to explain the reasons behind the different paths experienced by Venezuela and Bolivia to obtain the full membership of Mercosur. First it examines the path that led to the applications of the two countries, respectively presented in 2006 and 2012.⁸ The reasons behind these decisions are numerous: from the political affiliation characterizing the governments responsible for the decisions to the economic gains that the members and the applicants could benefit from thanks to full membership status.⁹

The first chapter of this work is devoted to the analysis of the presidential shift to the left in Latin America and its main effects on regional integration. After the arrival of the "Pink Tide" in Latin America, an increased concern on social and political dimensions of the integration process affected regional projects of the sub continent.¹⁰ During this period, the arrival in power of left-wing presidents created a certain level of consensus over a possible amendment to Mercosur's structures and aims.¹¹ In particular, the consensus created inside the organization due to the alignment between Nestor Kirchner and Luiz Inácio Lula da Silva, which created a progressive axis favourable to change, will be largely discussed.¹² As will be demonstrated, the two presidents created a progressive axis favourable to change that lead to consensus over a re-orientation of the goals to pursue through Mercosur generated a series of more socially oriented initiatives and projects. For instance, the creation of the Mercosur Fund of Structural Convergence (FOCEM) introduced a fundamental tool to reduce the

⁶Pucheta, Mauro, "The Social Dimension of MERCOSUR", *Centre for European Law and Legal Studies (CELLS) School of Law of the University of Leeds*, Vol. 3, Issue 5, (2014)

⁷Gardini, Gian Luca. "MERCOSUR: what you see is not (always) what you get." *European Law Journal* 17, no. 5 (2011): 683-700.

⁸Geneyro, Ruben, Vázquez, Mariana. "La ampliación de la agenda política y social para el Mercosur actual." *AldeaMundo* 11, no. 20 (2006): 7-18;

International Centre for Trade and Sustainable Development. "Bolivia Advances in Efforts to Become Full Member of Mercosur", *Bridges*, Volume 16 - Number 43, 12nd Dec. 2012, (2012) Available at: <http://www.ictsd.org/bridges-news/bridges/news/bolivia-advances-in-efforts-to-become-full-member-of-mercotur>

⁹Carranza, Mario E. "MERCOSUR: The global, economic crisis and the new architecture of regionalism in the Americas." *FLACSO/LATN Working Paper* 125 (2010) and EIU ViewsWire. "Bolivia politics: Full Mercosur membership inches closer", *The Economist*

Intelligence Unit N.A., Incorporated, 23rd Jul. 2015, (2015)

¹⁰Pia Rigirozzi, *Reconstructing Regionalism: What does Development have to do with It?*, in Rigirozzi, Pia, and Diana Tussie, eds. *The rise of post-hegemonic regionalism: The case of Latin America*. Vol. 4. Springer Science & Business Media, 2012.

¹¹ibidem

¹²Gardini, Gian Luca. "MERCOSUR: what you see is not (always) what you get." *European Law Journal* 17, no. 5 (2011): 683-700.

inequalities among the organization's members, financing regional projects mainly on: infrastructure, market competition and social cohesion.¹³ Under the auspice of what has been called the *Mercosur Social*, the organization developed a large number of initiatives to strengthen regional integration, with the specific aim to incorporate a social and political dimension to the bloc.¹⁴ One of the most relevant initiatives in this framework concerned the creation of a parliamentary institution to reduce the democratic under-representation affecting Mercosur.¹⁵ After a long period of elaboration, the first session of Parlarsur inaugurated the creation of a new transnational institution, composed of directly voted representatives, proportionally distributed among Mercosur's member states, after the approval of the national electoral laws to regulate their appointment.¹⁶

Proving the existence of a shift in Mercosur is important to demonstrate how the organization members paved the path for the inclusion of Venezuela and Bolivia to the bloc.¹⁷ It is worth mentioning that Venezuelan leader, Hugo Chavez, asked for a renovation of the organization, to build a "New Mercosur" based on the reduction of both states' disparities and socio-economic inequalities.¹⁸ Additionally, he promoted a more inclusive regional integration with the elaboration of the Bolivarian Alliance for the Peoples of Our America (ALBA) and other regional initiatives.¹⁹ The shift to the left in Latin America did not only affect Mercosur, it also inspired the elaboration of other regional proposals such as ALBA, the Union of South American Nations (UNASUR) and the Community of Latin American and Caribbean States (CELAC).²⁰ Even if these initiative are the result of a more social oriented regionalism, they have been inspired by different reasons and they are oriented by diverging interests. However, their common elements will be pointed out and largely discussed in the second and third chapters of this work.

After dealing with the left shift in Latin America and more in particular Mercosur's social focus, this work will analyse the adhesion procedures of Venezuela and Boliviaⁱ to obtain full

¹³"QuéEs FOCES : FOCES." QuéEs FOCES : FOCES. Accessed August 14, 2016.

<http://foces.mercosur.int/es/que-es/>.

¹⁴Rigirozzi, Pia. "Reconstructing Regionalism: What does Development have to do with It?", in Rigirozzi, Pia, and Diana Tussie, eds. *The rise of post-hegemonic regionalism: The case of Latin America*. Vol. 4. Springer Science & Business Media, 2012.

¹⁵"ParlarsurHistoria." Accessed August 14, 2016.

<https://www.parlamentomercosur.org/innovaportal/v/149/1/parlarsur/historia.html>.

¹⁶ibidem

¹⁷ see chapter 1

¹⁸Carranza, Mario E. "MERCOSUR: The global, economic crisis and the new architecture of regionalism in the Americas." *FLACSO/LATN Working Paper* 125 (2010).

¹⁹Corrales, Javier, and Michael Penfold. *Dragon in the Tropics: Venezuela and the Legacy of Hugo Chavez*. Brookings Institution Press, 2015.

²⁰Carranza, Mario E. "MERCOSUR: The global, economic crisis and the new architecture of regionalism in the Americas." *FLACSO/LATN Working Paper* 125 (2010).

Mercosur membership. In particular, Caracas waited from 2006 to 2012 before Mercosur members officially ratified its full inclusion, while the Bolivian process seems to be smoother.²¹ Even if Bolivia's application was presented in 2012 and La Paz is still waiting for the protocol of ratification, its path was not opposed nor as troubled as the Venezuelan one.ⁱⁱ

As is possible to notice, the use of the Bolivian example is necessary to identify the peculiarities of Chavez's Venezuelan application to Mercosur. Consequently, the economic, political and ideological reasons behind the choices made by Hugo Chavez and Evo Morales to become full members will be largely explored. More in detail, the latter focused his attention on building economic bridges in the whole region mainly through the deployment of his "Oil Diplomacy".²² Furthermore, he presented himself as the liberator of South America, proposing a new reinterpretation of Simon Bolivar's ideology, which envisaged a united Latin American able to oppose the hegemony of the United States.²³ The Venezuelan leader's ideology and rhetoric opposed "savage neoliberalism" and regional market liberalisation in general, which were historically behind the creation of Mercosur.²⁴ Nevertheless, he strongly supported his country's inclusion in the bloc and the axis composed by Lula and Kirchner further sustained Venezuelan application.²⁵ For these reasons, it is intriguing to investigate the reasons behind this process and its consequences on the region.

A large number of actions and initiatives developed under the Chavist regime were inspired by the Bolivarian alternative shaped by Chavez himself, such as ALBA and the open support of Bolivian gas naturalisation.²⁶ These actions, as well as many others, testified Chavez's revolutionary program, which entailed a strong opposition to the US and the creation of alternative structures for cooperation in LA.²⁷ On the other hand, Evo Morales guided his diplomatic action to strengthen his country's relationships with the sub-continent in different ways: privileging the alliance with Venezuela and other neighbouring nations, attempting to

²¹Martínez Castillo, Alberto. "Venezuela: política e integración regional." *Cuadernos del CENDES* 28, no. 78 (2012): 95-114.

²²Kozloff, Nikolas. *Hugo Chávez: Oil, politics, and the challenge to the US*. St. Martin's Griffin, 2015

²³*Ibidem*

²⁴Corrales, Javier, and Michael Penfold. *Dragon in the Tropics: Venezuela and the Legacy of Hugo Chavez*. Brookings Institution Press, 2015.

²⁵Bernal-Meza, Raúl. "Argentina Y Brasil En La Política Internacional: Regionalismo Y Mercosur (estrategias, Cooperación Y Factores De Tensión)." *Revista Brasileira De Política Internacional*, Rev. Bras. Polit. Int. 51, no. 2 (2008): 154-78. doi:10.1590/s0034-73292008000200010.

²⁶Corrales, Javier, and Michael Penfold. *Dragon in the Tropics: Venezuela and the Legacy of Hugo Chavez*. Brookings Institution Press, 2015.

²⁷*Ibidem*

collaborate with Chile to resolve their long-lasting border dispute and finally loosening contacts with the US.²⁸

However, the decision taken by Hugo Chavez to join Mercosur was part of a broader plan of regional transformation and part of the fight against US hegemony.²⁹ As will be explained in depth in the final chapter, Hugo Chavez's ideology challenged the pre-existing order and could have clashed with the Brazilian leadership of the region.³⁰ On the other hand, Evo Morales' Bolivia membership in the organization was led by both political and economic reasons that were perceived by the other members as a natural step for Mercosur's process of integration, also thanks to the previous entrance of Venezuela.³¹

For these reasons, it is important to remember that the strategic importance and economic meaning behind the inclusion of Venezuela into the bloc may have disrupted its accession. My research question focuses on the different path experienced by Venezuela, and to do so the analysis use La Paz's experience to highlight the more troubled adversities faced by Caracas. Therefore, the architecture of the second chapter structured to draw the attention on the Venezuelan case.

After an in-depth analysis of the context and reasons behind the Venezuelan and Bolivian decisions to join Mercosur, this study will continue exploring the reasons behind the troubled ratification process experienced by Caracas. In this framework, the main differences and oppositions between the Brazilian and Venezuelan diplomatic styles and foreign policies will be discussed in the third chapter. The reasons why the case of Lula's Brazil has been selected is linked to the fact that Brasilia historically had a fundamental role in Mercosur integration, as well as having close-knit links with Caracas.³² Moreover, Lula's government strongly supported the Venezuelan application and strengthened its country economic and political relations with its north neighbour.³³ Moreover, Lula's government strongly supported the Venezuelan application and strengthened its country economic and political relations with its north neighbour.³⁴ As a matter of fact, the strategic meaning of Venezuelan inclusion could

²⁸Rolland, Denis, and JoëlleChassin. *Pour comprendre la Bolivied'Evo Morales*. Editions L'Harmattan, 2007.

²⁹Kozloff, Nikolas. *Hugo Chávez: Oil, politics, and the challenge to the US*. St. Martin's Griffin, 2015

³⁰Burges, Sean W. "Brazil as regional leader: meeting the Chávez challenge." *Current History* 109, no. 724 (2010): 53.

³¹MejidoCostoya, Manuel. "Politics of Trade in Post - neoliberal Latin America: The Case of Bolivia." *Bulletin of Latin American Research* 30, no. 1 (2011): 80-95 and Rolland, Denis, and JoëlleChassin. *Pour comprendre la Bolivied'Evo Morales*. Editions L'Harmattan, 2007.

³²Burges, Sean W. "Building a global southern coalition: the competing approaches of Brazil's Lula and Venezuela's Chávez." *Third World Quarterly* 28, no. 7 (2007): 1343-1358.

³³ *ibidem*

³⁴ *ibidem*

be perceived as a challenge for the Brazilian leadership due to the pivotal role played by Chavez in the region.³⁵

Therefore, chapter three will explore the consequences of the inclusion of Venezuela in the bloc with the concurrent political developments in the region. In particular, the bloc's consequent polarization and politicization will be taken into consideration and the emergence of competitive forms of regionalism will be discussed.³⁶

What makes this work interesting is the fact that it explores a fundamental period of Mercosur history, one which saw a revolution in its agenda and aims: from market-oriented to social and distributive issues.³⁷ Moreover, the inclusion of Chavez's Venezuela in a neoliberal-inspired project requires in-depth examination, as it seemed to contrast with its leader's strong ideological orientation. Therefore the last part of this work focuses on the challenging peculiarities of Chavez's ideology and foreign policy, which will be confronted with Lula's Brazil. Moreover, some of the most recent political developments and issues affecting the countries involved will be presented.

However, my research's focus is on South American regional experiences and in particular the ones concerning the left shift operated in the bloc as well as the ones affecting the Venezuelan process of inclusion into Mercosur. For these reasons, the analysis explores a series of selected issues, which are considering the most relevant to demonstrates the reasons behind the troubled path experienced by Caracas. In particular, it underlines the role of the Brazil and United States in shaping LA foreign policy and regional integration. Nevertheless, some relevant international actors, such as the European Union for instance, are not directly taken into consideration. In particular, the EU is taken into account only in the last chapter to envisage its relations with the more liberal states of Mercosur and to evaluate Venezuelan membership in terms of efficiency for the organization.

³⁵ *ibidem*

³⁶ Cain, Eli; and Sato, Erika. "The Venezuela Problem: Hyper-Politicization and Fragmentation in Mercosur", Council of Hemispheric Affairs 7th Jul. 2016, (2016) Available at: <http://www.coha.org/the-venezuela-problem-hyper-politicization-and-fragmentation-in-mercosur/>

³⁷ Pia Riggirozzi, *Reconstructing Regionalism: What does Development have to do with It?*, in Riggirozzi, Pia, and Diana Tussie, eds. *The rise of post-hegemonic regionalism: The case of Latin America*. Vol. 4. Springer Science & Business Media, 2012.

2. Theoretical approach

The issues explored in this work refer to the theories of New Regionalism and Open Regionalism, which are particularly suitable to better interpret the integration process developed in Latin America in the last two decades. Before continuing with the elaboration of the theoretical framework necessary to understand the following chapter it is indispensable to explain these two concepts. Even if the two concepts have been seen in opposition, it is worth taking into consideration both perspectives to analysis regionalism in South America, since it has presented a fluid evolution and a variation of interests and purposes.

“New Regionalism” refers to a new wave of regional integration, which started in the late 1980s after the collapse of the USSR and the beginning of the declining US hegemony.³⁸ During this period, which corresponded to the end of the Cold War and the birth of a multi-polar world, nation states were pushed by the exogenous forces of Globalization to react to the mutable context.³⁹ This saw the rise of new regional projects characterized by an emphasised flexibility in their purposes and arrangements, varying in the different areas of the world.⁴⁰ To better understand the characteristics of this new model of regionalization it is worth mentioning three of the five features described by Fred Bergsten:

1. open membership: entails the openness of the project to new members,
2. promotion of global liberalisation,
3. trade facilitation.⁴¹

These three common features characterised the creation and evolution of most regional agreements born in the context of New Regionalism.

New Regionalism is taken into consideration because it can better understand the raise of Mercosur, the main organization under scrutiny in this work. As far as Fred Bergsten’s features are concern, Mercosur shared the three above mentioned characteristics (open membership, promotion of global liberalisation and trade facilitation) at its birth.

On the other hand, “Open Regionalism” refers to the idea that this new wave of regionalism was characterized by openness and it was more “extroverted rather than introverted”⁴² as the

³⁸Mario Telò (ed.), *European Union and New Regionalism: Competing Regionalism and Global Governance in a Post-Hegemonic Era*, Ashgate, Third Ed. (2014)

³⁹*ibidem*

⁴⁰Björn Hettne (2005) *Beyond the ‘new’ regionalism*, *New Political Economy*, 10:4, 543-571, DOI: 10.1080/13563460500344484

⁴¹ Fred Bergsten, *Open Regionalism*, Working paper 97-3, Washington, DC: Peterson Institute for International Economics, 1997

⁴²Hettne, Björn; Soderbaum, Fredrik, *Theorising the rise of regionness*, *New Political Economy*; Nov 2000; 5, 3; ProQuest Central pg. 457

“Old Regionalism” used to be, as Hettne and Soderbaum have pointed out.⁴³ This model of regionalism, which prevailed in Latin America during the ‘90s, was inspired by market-led reforms promoted by the United States and it stimulated the creation of various forms and type of organizations.⁴⁴ Latin American renewed a process of market liberalisation started in the early ‘90s, during which a series of regional organizations were funded or converted, such as Mercosur, created in the 1991 with the Treaty of Asuncion, and the Andean Community, which changed aims and name in 1995 and set 2005 as deadline for the complete implementation of a common market.⁴⁵

However, New Regionalism and Open Regionalism are distinguished from Old Regionalism not just by their multidimensional purposes and openness, but also by their ability to promote trade liberalisation, attract foreign direct investment, boost intra-regional trade and increase the geopolitical power of members acting as a bloc in economic forums.⁴⁶ However, it is possible to distinguish between three different types of regionalism in Latin America, as Pia Riggirozzi and Diane Tussie have proposed. Firstly projects strongly led by market liberalisation (like NAFTA and the Andean Community), secondly projects that aimed at increasing trade liberalisation among members to create an alternative trade hub (such as Mercosur, UNASUR, and CARICOM) and finally, projects that openly oppose neoliberalism and propose a socially oriented integration (ALBA is one remarkable example).⁴⁷

These new forms of Open Regionalism have been associated with the end of US guidance on the World Order and to the beginning of a multi-polar world, where the existence of a world hegemony became difficult to imagine thanks to the growing interdependence and the increased number of actors involved in the international arena.⁴⁸ The rise of Post-hegemonic Regionalism was one response to the turbulent changes in the international system, as the nation States found in regional cooperation a way to survive global crises, handle transnational issues and increase their international relevance.⁴⁹ The regionalist theories proposed by Pia

⁴³Björn Hettne (2005) Beyond the ‘new’ regionalism, *New Political Economy*, 10:4, 543-571, DOI: 10.1080/13563460500344484 and Fredrik Söderbaum, Introduction: Theories of New Regionalism, in *Theories of New Regionalism: A Palgrave Reader*, by Fredrik Söderbaum and Timothy S. Shaw (ed.), Palgrave MacMillan International Political Economy Series, (2003)

⁴⁴Pia Riggirozzi and Diana Tussie (ed.), *The Rise of Post-Hegemonic Regionalism - The Case of Latin America*, Springer Science+Business Media B.V., 2012

⁴⁵Victor Blumer-Thomas, *Regional Integration in Latin America and the Caribbean: the Political Economy of Open Regionalism*, Institute of Latin American Studies (2001)

⁴⁶*ibidem*

⁴⁷Pia Riggirozzi and Diana Tussie (ed.), *The Rise of Post-Hegemonic Regionalism - The Case of Latin America*, Springer Science+Business Media B.V., 2012

⁴⁸Mario Telò (ed.), *European Union and New Regionalism: Competing Regionalism and Global Governance in a Post-Hegemonic Era*, Ashgate, Third Ed. (2014)

⁴⁹*ibidem*

Riggirozzi and Diane Tussie will be fully deployed to analyse the specific shift operated in Latin America regionalism.

Moreover, the failure of multilateral governance pushed nation States to find more feasible alternatives to overcome the impasse in negotiations.⁵⁰ In this context, some states have tried to play a role of paymaster in their region, promoting the integration process and managing its evolution. One example is Brazil, which has strived for the leadership of the South American sub-continent to strategically oppose the hegemonic power of the US.⁵¹ On the other hand, regionalism has been strategically used by smaller states as a first step to be included in the global arena. Consequently, small States or less powerful states are more interested in extending regional agreements to third parties or to other blocs; as for instance Argentina, Paraguay and Uruguay are more apt to negotiate with other states through Mercosur.⁵² Moreover, the two latter countries, which represent the smallest members of the organization, are particularly intrigued by the idea of building regional institutions to limit powerful states' hegemony in the bloc.⁵³

In the same period, a long wave of consensus over the neoliberal ideals deeply influenced the formation and development of regional experiences.⁵⁴ The "Washington consensus" presented the implementation of neoliberal policies as the only effective alternative for governments to face globalized markets.⁵⁵ Therefore many Latin American regional experiences followed the same trend and adopted neo-liberalism as a dogma.⁵⁶ For instance Mercosur's initial configuration presented the exact same characteristics, promoting the creation of a common market between the participating countries. However, this trend has been challenged by the emergence of other types of experiences inspired by opposing purposes, such as ALBA and UNASUR.⁵⁷

This new trend of regional initiatives has contributed to the elaboration of new interpretations of this phenomenon that have introduced the emergence of Post-hegemonic regionalism and

⁵⁰ Fredrik Söderbaum, Introduction: Theories of New Regionalism, in *Theories of New Regionalism: A Palgrave Reader*, by Fredrik Söderbaum and Timothy S. Shaw (ed.), Palgrave MacMillan International Political Economy Series, (2003)

⁵¹ Nicola Phillips (2003) The rise and fall of open regionalism? Comparative reflections on regional governance in the Southern Cone of Latin America, *Third World Quarterly*, 24:2, 217-234, DOI: 10.1080/0143659032000074565

⁵² *ibidem*

⁵³ *ibidem*

⁵⁴ *ibidem*

⁵⁵ Pia Riggirozzi and Diana Tussie (ed.), *The Rise of Post-Hegemonic Regionalism - The Case of Latin America*, Springer Science+Business Media B.V., 2012

⁵⁶ Gianluca Gardini, Towards modular regionalism: the proliferation of Latin American cooperation, *Revista Brasileira de Política Internacional*, n. 58 (1), 2015, pp. 210-229.

⁵⁷ Pia Riggirozzi and Diana Tussie (ed.), *The Rise of Post-Hegemonic Regionalism - The Case of Latin America*, Springer Science+Business Media B.V., 2012

Competitive regionalism. As far as the former interpretation is concerned, Pia Riggirozzi and Diane Tussie have elaborated the appearance of a Post-hegemonic Regionalism, which is characterised by the departure from US leadership and the elaboration of mixed structures of cooperation.⁵⁸

On the other hand, the emergence of opposing types and forms of organization in Latin America is clearly highlighted by Sebastian Santander, who has analysed the struggles and political constraints affecting the regional organizations in LA that have limited a deeper integration.⁵⁹ In particular, he analysed the rise of Competitive Regionalism in two opposing contexts, one characterised by ideological convergence and the other by the ideological divergence, which has caused overlapping memberships and internal contradictions.⁶⁰

In this framework it is fundamental to take into consideration the Spaghetti-bowl effect⁶¹ described by Bhagwati, which perfectly explains the negative effects of multi-memberships and overlapping topics in regional agreements, a phenomena that has also affected LA, as pointed out by Gianluca Gardini.⁶² Therefore, Santander's and Gardini's findings will be useful to explain the recent political developments in the region analysed in the last chapter.

Even if there has been some criticism of inter-governmentalism over the past few years, this approach will be preferred throughout the analysis. In particular, as will be pointed out in the various chapters of this work, Latin American regional integration has been driven in the last two decades mainly by charismatic national leaders.⁶³ The presidentialist nature of foreign policy and the centrality of the state in regional experiences have driven and shaped cooperation structures in LA.⁶⁴

The framework used by Andrew Moravcsik in "The Choice for Europe"⁶⁵ will be developed throughout the work, as the explanations concerning regional integration will be examined through the analysis of the preferences of the actors involved, their bargaining power and

⁵⁸ibidem

⁵⁹ Competing Latin American Regionalisms in a Changing World, in Mario Telò (ed.), *European Union and New Regionalism: Competing Regionalism and Global Governance in a Post-Hegemonic Era*, Ashgate, Third Ed. (2014)

⁶⁰ibidem

⁶¹Bhagwati, J. *US Trade Policy: The Infatuation with FTAs*, Columbia University Discussion Paper Series No. 726, 1995

⁶² Gardini, Gianluca. "Towards modular regionalism: the proliferation of Latin American cooperation", *Revista Brasileira de Política Internacional*, n. 58 (1), 2015, pp. 210-229.

⁶³ Competing Latin American Regionalisms in a Changing World, in Telò, Mario (ed.). *European Union and New Regionalism: Competing Regionalism and Global Governance in a Post-Hegemonic Era*. Ashgate, Third Ed. (2014)

⁶⁴ibidem

⁶⁵Moravcsik, Andrew, *The Choice for Europe: Social Purpose and State Power from Messina to Maastricht*. Ithaca, NY: Cornell University Press, 1998

their economic and geopolitical interests.⁶⁶ Liberal-inter-governmentalism, as postulated by Moravcsik, will be useful to demonstrate how LA regionalism deepened thanks to the convergence of national interests and political ideologies.

Moreover, Jean-Frédéric Morin's book "La Politique Étrangère" represents the general framework used to investigate on the reasons behind the most important foreign policy strategies and actions. In particular, the objectives pursued by a determined foreign policy are carefully analysed to identify the real aims behind them, as the author precisely described.⁶⁷ As Morin pointed out, it is hard to determine the real objectives of a state's foreign policy, due to the difficult identification of the national interests, which can be revealed only partially to leave some space of manoeuvre for a strategic use of the national authorities declared objectives.⁶⁸

⁶⁶ *ibidem*

⁶⁷ Morin, Jean-Frédéric. *La Politique Étrangère*. U: Sciences Politiques, Armand Colin, 2013

⁶⁸ *ivi*, pp. 24-26

Chapter one

Left shift in Mercosur

“I firmly believe that we are designated [...] to be the great motors pushing this process of integration forward, Argentina from Patagonia and Venezuela from the Caribbean”

Hugo Chavez, (2009)

The first chapter of this work will be devoted to the analysis of presidents Lula, Nestor and Cristina Kirchner's alignment in regional integration policies. This convergence, also known as “*Buenos Aires Consensus*”⁶⁹, has shaped Mercosur's agenda contributing with more social rationale due to the political orientation of the two presidents.⁷⁰ Therefore, it is possible to notice a social shift in Mercosur integration starting from the early years of this century, which have sparked a deeper focus of its activities on social issues such as reducing gender, race and economic inequalities, labour standards' regulation, compensation strategies for less developed areas, human rights protection and establishment of social forums to cooperate with the civil society.⁷¹ However, this change has its roots not only in the Argentinian-Brazilian axis, but also in the concurrence of two other events; namely the insufficient performances of neoliberal policies⁷² and the left wing governments leading Latin American countries, commonly known as the Pink Tide⁷³.

The first part of this chapter will be devoted to the analysis of the failure of neoliberal policies in South America and the insurgence of left-wing governments in the region. This will be useful to explain the special convergence developed between Lula and the Kirchner's policies during their presidential terms. The second part of the chapter will mainly focus on

⁶⁹Mercopress. “Buenos Aires consensus, a new agenda for Latinamerica”, mercopress.com, 24th Aug. 2005, (2005), Available at: <http://en.mercopress.com/2005/08/24/buenos-aires-consensus-a-new-agenda-for-latinamerica>

⁷⁰Rigirozzi, Pia. “Reconstructing Regionalism: What does Development have to do with It?”, in Rigirozzi, Pia, and Tussie, Diana, eds. *The rise of post-hegemonic regionalism: The case of Latin America*. Vol. 4. Springer Science & Business Media, 2012.

⁷¹Geneyro, Ruben, and Mariana Vázquez. “La ampliación de la agenda política y social para elMercosuractual.” *AldeaMundo* 11, no. 20 (2006): 7-18.

⁷²Mercopress, “Buenos Aires consensus, a new agenda for Latinamerica”, mercopress.com, 24th Aug. 2005, (2005), Available at: <http://en.mercopress.com/2005/08/24/buenos-aires-consensus-a-new-agenda-for-latinamerica>

⁷³Spronk, Susan. 2008. Pink Tide? Neoliberalism and its Alternatives in Latin America. *Canadian Journal of Latin American and Caribbean Studies* 33 (65): 173-86.

the decisions taken after the Buenos Aires consensus on Mercosur's integration. As a matter of fact a large number of actions were implemented in order to deepen cooperation over more social and political issues.⁷⁴ This shift towards cooperative aims has paved the way for the inclusion of Venezuela and Bolivia, thanks to favourable conditions that increased the chance for these two countries to be included in the *Mercado Común del Sur*. Consequently, The analysis will lead to a periodization of Mercosur integration in the 2000s (in particular from 2003 to 2011), in order to find the ideological reasons why Venezuela and Bolivia have joined the organization.

1. MERCOSUR: between the neoliberal rationale and Open Regionalism

The *Mercado Común del Sur*, commonly known as Mercosur, is a South American regional project founded by Argentina, Brazil, Paraguay and Uruguay in 1991 through the Asuncion Treaty.⁷⁵ The four Latin American powers collectively decided to join the organization in order to cope with greater external market pressures following the end of the Cold War and of the Bretton Woods system.⁷⁶ Early Mercosur goals and developments were inspired by the neoliberal movement and by European achievements in market liberalisation.⁷⁷ The organization's purposes were all focused, and are still focused, on the expansion and development of a common and integrated market among its members.⁷⁸ The organization proved extremely successful, boosting internal markets and empowering the area's international positions.⁷⁹ Mercosur's prosperity and magnitude increased the prospects of Latin America and enhanced hopes about the future deepening of regional integration.⁸⁰

⁷⁴Pucheta, Mauro, "The Social Dimension of MERCOSUR", *Centre for European Law and Legal Studies (CELLS) School of Law of the University of Leeds*, Vol. 3, Issue 5, (2014)

⁷⁵<http://www.mercosur.int/innovaportal/v/3862/2/innova.front/en-pocas-palabras>

⁷⁶Gardini, Gian Luca. "MERCOSUR: what you see is not (always) what you get." *European Law Journal* 17, no. 5 (2011): 683-700.

⁷⁷Pucheta, Mauro, "The Social Dimension of MERCOSUR", *Centre for European Law and Legal Studies (CELLS) School of Law of the University of Leeds*, Vol. 3, Issue 5, (2014)

⁷⁸CEPAL, "El Regionalismo Abierto en America Latina y Caribe", (1994)

⁷⁹Phillips, Nicola. "The rise and fall of open regionalism? Comparative reflections on regional governance in the Southern Cone of Latin America." *Third World Quarterly* 24, no. 2 (2003): 217-234.

⁸⁰Pucheta, Mauro, "The Social Dimension of MERCOSUR", *Centre for European Law and Legal Studies (CELLS) School of Law of the University of Leeds*, Vol. 3, Issue 5, (2014)

Mercosur regional experience was driven by Open Regionalism strategies that better fit its original scope and aims.⁸¹ As marked by the document issued by the Economic Commission for Latin America and Caribbean (CEPAL), “*El Regionalism Abierto en America Latina y Caribe*”, Latin American states have developed common solutions to cope with globalization pressures engaging in regional agreement based on neoliberal strategies.⁸² Therefore, Open Regionalism was chosen as the best option to handle growing interdependence, through the enhancement of international competitiveness.⁸³ Its basic characteristics include: participants’ cultural and geographical closeness, trade liberalization among regional members, facilitation process to include new associates and reduction of discrimination and transaction costs.⁸⁴ Nonetheless, the Argentinean financial crisis and Brazilian economic issues menaced the future of the regional project in the early 2000s.⁸⁵ Brazilian devaluation and the consequent Argentinean default of 2001 threatened the survival of Mercosur and aroused sceptical opinions on its worthiness and usefulness for the future economic development of South America.⁸⁶ The difficult economic situation faced by South American states favoured a process of revaluation and rethinking about regional agreements.⁸⁷ The contemporary left-shift in most of the region’s governments has positively contributed to the social redefinition of the Mercosur agenda.⁸⁸ The two following paragraphs will focus on how the Pink Tide has redefined the objectives of Mercosur and regionalism in Latin America.

⁸¹Pucheta, Mauro, “The Social Dimension of MERCOSUR”, *Centre for European Law and Legal Studies (CELLS) School of Law of the University of Leeds*, Vol. 3, Issue 5, (2014)

⁸²CEPAL, “*El Regionalism Abierto en America Latina y Caribe*”, (1994)

⁸³ *ivi* p. 12

⁸⁴ *ivi* 1994, p. 13

⁸⁵Phillips, Nicola. "The rise and fall of open regionalism? Comparative reflections on regional governance in the Southern Cone of Latin America." *Third World Quarterly* 24, no. 2 (2003): 217-234.

⁸⁶*ibidem*

⁸⁷Tockman, Jason. "Rise of the Pink Tide-Trade, Integration, and Economic Crisis in Latin America, The." *Geo. J. Int'l Aff.* 10 (2009): 31.

⁸⁸Geneyro, Ruben, and Mariana Vázquez. "La ampliación de la agenda política y social para el Mercosur actual." *AldeaMundo* 11, no. 20 (2006): 7-18.

1.1 The Pink Tide redefines Latin American regional experience

The term Pink Tide was coined to describe a specific political trend in South American governments, which shifted their orientation towards a more leftist direction. It is possible to distinguish between two types of left in Latin America: the “responsible left” represented by Luiz Imicio "Lula" da Silva (Brazil), Michele Bachelet (Chile), Nestor and Cristina Kirchner (Argentina), Tabaré Vázquez (Uruguay); and “the social left” that includes Hugo Chavez (Venezuela), Evo Morales (Bolivia) and Rafael Correa (Ecuador).⁸⁹ The former group comprises a more moderate group of governments, which have pleased market-led reforms and trade liberalisation.⁹⁰ The latter faction has made a strong commitment to opposing US hegemonic power and policies and has opted for more leftist revolutionary alternatives.⁹¹

The alignment of these governments towards a more social alternative for Latin American integration has represented a new impulse for its regional development.⁹² Therefore, alternative forms of regional integration have risen in the region and Mercosur strategies have shifted towards a more socially oriented agenda.⁹³

The failure of the Free Trade Agreement of the Americas (FTAA) in 2005 clearly showed the new South American opposition against neo-liberalism and the historical US hegemony over the region.⁹⁴ During the World Social Forum of 2005, Hugo Chavez, who represented the fiercer *caudillo* of the leftist shift, firmly declared: “FTAA is dead”, as documented by Venezuelanalysis.com.⁹⁵ In the same speech he introduced an alternative framework of regional integration for the South, announcing the creation of a new regional project: the Bolivarian Alternative for the Peoples of Our America (ALBA).⁹⁶

ALBA is the most representative example of the Pink Tide in South America: a Chavez-led regional project born in 2006 that entails a strong political and ideological collaboration between Antigua and Barbuda, Bolivia, Cuba, Dominica, Ecuador, Grenada, Nicaragua, Saint

⁸⁹ Spronk, Susan. “Pink Tide? Neoliberalism and its Alternatives in Latin America”. *Canadian Journal of Latin American and Caribbean Studies* 33 (65): 173-86. (2008)

⁹⁰ *ibidem*

⁹¹ *ibidem*

⁹² Geneyro, Ruben, and Mariana Vázquez. “La ampliación de la agenda política y social para el Mercosur actual.” *AldeaMundo* 11, no. 20 (2006): 7-18.

⁹³ Tockman, Jason. “Rise of the Pink Tide-Trade, Integration, and Economic Crisis in Latin America, The.” *Geo. J. Int'l Aff.* 10 (2009): 31.

⁹⁴ Cameron, Maxwell A., and Eric Hershberg, eds. *Latin America's left turns: Politics, policies, and trajectories of change*. Boulder e Colorado: Lynne Rienner Publishers, 2010.

⁹⁵ Sojo, Cleto A. “Venezuela’s Chavez Closes World Social Forum with Call to Transcend Capitalism”, Venezuelanalysis.com, 31st Jan 2005, (2005), Available at: <http://venezuelanalysis.com/news/907>

⁹⁶ *ibidem*

Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines and Venezuela.⁹⁷ On the one hand, the organization opposes the trade liberalisation orientation of most regional experiences and, on the other, it supports the exchange of goods and resources among its members to facilitate the economic advancement of the less developed countries.⁹⁸

However, it is fundamental to mention also the Union of South American Nations (UNASUR) a regional project led by Brazilian president Lula da Silva.⁹⁹ The organization, previously named the South American Community of Nations (CSN), was created in 2004 during a presidential summit held in Cuzco with the purpose of increasing political relations and focusing on social and humanitarian issue in the region.¹⁰⁰ Although the two organizations, ALBA and UNASUR, were created for different specific purposes, it is possible to find certain common issues that could be explained through the arrival of the Pink Tide in South America.¹⁰¹ Finally, it is possible to envisage some important changes in the Mercosur trajectory during the same period of the shift in governments. The following paragraph will explain the genesis of this change of direction in the organization's agenda while the second part of the chapter will illustrate the most important summits, conferences, treaties and institutional changes that are part of Mercosur's shift.

1.2 Lula and Kirchner alignment: a new impulse to Mercosur

A renewed optimism in the project has widened the scopes of the organization and has deepened the regional integration mission. Following the periodization illustrated by Gardini¹⁰², Mercosur history can be divided into four periods: the 'genesis years' (1984–1990), the 'neoliberal apogee' (1990–1999), the 'dark years' (1999–2003) and the 'search for a renewed identity' (2003–present). The economic crisis in Brazil and Argentina represented a dark period, during which Mercosur's provisions on trade liberalization have been

⁹⁷"What Is the ALBA?" ALBA INFO. 2014. Accessed August 14, 2016. <https://albainfo.org/what-is-the-alba/>.

⁹⁸Tockman, Jason. "Rise of the Pink Tide-Trade, Integration, and Economic Crisis in Latin America, The." *Geo. J. Int'l Aff.* 10 (2009): 31.

⁹⁹Diamint, Rut. "Regionalismo y posicionamientosuramericano: UNASUR y ALBA/Regionalism and South American orientation: UNASUR and ALBA." *Revista CIDOB d'afersinternacionals*(2013): 55-79.

¹⁰⁰"unasur." UNASUR / TodosSomos UNASUR. Accessed August 14, 2016. <http://www.unasursg.org/>.

¹⁰¹Pia Rigirozzi, Reconstructing Regionalism: What does Development have to do with It?, in Riggirozzi, Pía, and Diana Tussie, eds. *The rise of post-hegemonic regionalism: The case of Latin America*. Vol. 4. Springer Science & Business Media, 2012.

¹⁰²Gardini, Gian Luca. "MERCOSUR: what you see is not (always) what you get." *European Law Journal* 17, no. 5 (2011): 683-700.

continuously breached.¹⁰³ Nevertheless, the Mercosur social agenda began to be implemented even in this tumultuous period, as the second part of this chapter will show.

However, the early 2000s represent a revolutionary moment for Mercosur integration, as well as an important period of convergence between the Argentinean and Brazilian governments. As a matter of fact, the alignment between the two regional leaders, Luiz Inácio Lula da Silva and Néstor Kirchner, boosted the Mercosur project and revitalized its scopes and aims.¹⁰⁴ Moreover, the worsened social condition of South America pushed Mercosur leaders to take some serious actions concerning social and political issues, starting from the early 2000s.¹⁰⁵ Many examples of this socio-political reorientation of the regional project will be presented later on in this chapter in order to analyse its new ideological focus.

In 2003 the Lula and Néstor Kirchner met in Brasilia to discuss the future evolution of regional organization and they agreed on the main objectives Mercosur would have pursued: economic growth, social justice and citizens' dignity.¹⁰⁶ Right after their meeting, president Lula declared to the press: "The Brazilian government and the President of the Republic of Brazil have the most perfect conviction that the good relationship between Argentina and Brazil is the first grounds for the success of Mercosur"ⁱⁱⁱ as reported by Agência Brazil on June 2003.¹⁰⁷

Only a few months after their meeting in Brasilia, Mercosur leaders gathered in Asuncion to approve the 2006 Agenda, which entailed a platform divided in four areas: political, social and cultural cooperation, a program for the Andean Community (CAN), a basic program for the common market and a program for new integration.¹⁰⁸ In October of the same year Brazil had already put forward its innovative program entitled "Objective 2006", which included a goal-oriented strategy to strengthen social and political integration.¹⁰⁹

Starting from their famous meeting in Buenos Aires in 2003, which established the so-called *Buenos Aires Consensus*, the two leaders developed common strategies to cope with the

¹⁰³ibidem

¹⁰⁴ibidem

¹⁰⁵ Pia Rigirozzi, *Reconstructing Regionalism: What does Development have to do with It?*, in Rigirozzi, Pía, and Diana Tussie, eds. *The rise of post-hegemonic regionalism: The case of Latin America*. Vol. 4. Springer Science & Business Media, 2012.

¹⁰⁶Vazquez, Mariana, and José Briceño Ruiz. "O Mercosulnaépoca de Lula e Kirchner: um balanço, seis anos depois." *Nueva Sociedad* (2009): 33-48.

¹⁰⁷Agência Brazil, "Lula e Kirchner fazem discurso afinado sobre prioridade do Mercosul", 16th Mar, 2003, (2003), Available at: <http://memoria.etc.com.br/agenciabrasil/noticia/2003-06-11/lula-e-kirchner-fazem-discurso-afinado-sobre-prioridade-do-mercossul>

¹⁰⁸Vazquez, Mariana, and José Briceño Ruiz. "O Mercosulnaépoca de Lula e Kirchner: um balanço, seis anos depois." *Nueva Sociedad* (2009): 33-48.

¹⁰⁹Vervaele, John Ae. "Mercosur And Regional Integration In South America." *International and Comparative Law Quarterly ICLQ* 54, no. 02 (2005): 387-410. doi:10.1093/iclq/lei007.

increased pressure on the economies of their countries.¹¹⁰ Thanks to this agreement the two nations seemed to move away from the “Washington Consensus” era and embrace a more social agenda.¹¹¹ This fundamental document contained twenty-two strategic points that established the future development of bilateral relations between the two countries and regional integration projects.¹¹² Some of the most meaningful points focused on the following areas: political consolidation of democracy, reduction of extreme poverty, civil society involvement in the project of regionalization, increasing employment rates, prioritization of education and social inclusion, extreme hunger eradication and deepening of Mercosur integration.¹¹³ After only one year the two presidents declared in the Copacabana Act (March 16th, 2004) that they were willing to commit their countries to increased cooperation on these shared issues.¹¹⁴

During their presidential terms both Luiz Inácio Lula da Silva and Néstor Kirchner privileged Mercosur integration in their foreign policy priorities for different reasons: on the one hand, Lula exploited Mercosur as an instrument of multilateral diplomacy to broaden Brazilian hegemony over the region; on the other hand, Kirchner focused his attention on the strategic importance of Argentina in Mercosur.¹¹⁵ Nevertheless, the two leaders saw in each other a strategic partner to fulfil their objectives through the strategic deepening of Mercosur integration.¹¹⁶ In the 2007 Mercosur presidential summit, held in Brazil, president Lula called for the establishment of an axis, formed by his country and Argentina, to reduce the bloc inequalities and he firmly pointed out: “Without integration, Latin America has no way forward”¹¹⁷.¹¹⁸

¹¹⁰Mercopress, “Buenos Aires consensus, a new agenda for Latinamerica”, mercopress.com, 24th Aug. 2005, (2005), Available at: <http://en.mercopress.com/2005/08/24/buenos-aires-consensus-a-new-agenda-for-latinamerica>

¹¹¹Gardini, Gian Luca. "MERCOSUR: what you see is not (always) what you get." *European Law Journal* 17, no. 5 (2011): 683-700.

¹¹²Embaixada Argentina, Consenso de Buenos Aires, 16th Oct. 2003, (2003) Buenos Aires

¹¹³ibidem

¹¹⁴Bernal-Meza, Raúl. "Argentina Y Brasil En La Política Internacional: Regionalismo Y Mercosur (estrategias, Cooperación Y Factores De Tensión)." *Revista Brasileira De Política Internacional*, Rev. Bras. Polit. Int. 51, no. 2 (2008): 154-78. doi:10.1590/s0034-73292008000200010.

¹¹⁵ibidem

¹¹⁶ibidem

¹¹⁷BBC, “Mercosur 'must tackle inequality'”, [bbc.co.uk](http://news.bbc.co.uk/2/hi/americas/6278307.stm), 19th Jan. 2007, (2007), Available at: <http://news.bbc.co.uk/2/hi/americas/6278307.stm>

¹¹⁸Carranza, Mario E. "MERCOSUR: The global, economic crisis and the new architecture of regionalism in the Americas." *FLACSO/LATN WorkingPaper* 125 (2010).

2. A periodization of Mercosur integration in the 2000s

This paragraph will be devoted to the analyses of some fundamental acts, protocols, decisions and meetings concerning Mercosur integration in the first decade of this century. In particular, attention will be focused on the political and social dimensions of the regional integration process and to those aspects that may have prepared Mercosur to welcome two new members: Venezuela and Bolivia.

2.1 The early 2000s: some steps toward social integration

Starting from the signature of the “Buenos Aires Charter on Social Compromise in Mercosur” in 2000, Mercosur leaders realized that the economic development experienced by the region was not associated to an increased level of wealth in the population, which was still seriously suffering from poverty.¹¹⁹ In the same year, the Council of Common Market created the *Reunión de Ministros y Autoridades de Desarrollo Social del Mercosur* (RMADS): a steering group of ministers of social development whose main aim was to fight against extreme poverty and child labour.¹²⁰ In the decision of the CMC creating the RMADS there is a clear reference to the Buenos Aires Charter and it appointed the newly-established commission in order to facilitate social development policies.¹²¹ Thanks to the introduction of this new political forum focused on social issues, a new agenda for the organization was developed under an umbrella denominated Mercosur Social.¹²² In the first meeting of RMADS, which took place in March 2001, the first strategies and purposes of the new born social dimension of Mercosur were elaborated.¹²³

One year after the first steps taken to solve social issues, Mercosur broadened the focus of its work to include education: with the approval of the Gramado Compromise (*Compromiso de Gramado*): a five year action plan (2001-2005) to develop and enhance education in the

¹¹⁹Vazquez, Mariana, “Debatessobre la integracionregional en America del Sur a partir de un estudio de caso: la dimension social del Mercosur”, *Archivos de la Jornadas de RelacionesInternacionales* Vol. III (2012)

¹²⁰ ibidem

¹²¹Mercosur, “Creacion de la Reunión de Ministros y Autoridades de Desarrollo Social del Mercosur”, CMC/Dec. n°61/00, (2000)

¹²²Vazquez, Mariana, “Debatessobre la integracionregional en America del Sur a partir de un estudio de caso: la dimension social del Mercosur”, *Archivos de la Jornadas de RelacionesInternacionales* Vol. III (2012)

¹²³ ibidem

southern cone, raise citizens awareness on regional issues and promote educational exchange.¹²⁴

In 2002 Mercosur full-members and associates, Bolivia and Chile, signed the *Acuerdo de Residencia para Nacionales*: a fundamental document that affords participating countries' citizens the right to stay and work in Mercosur. The agreement had both an economic and social dimension since it entailed an improvement of economic potentials and the expansion of citizens' abilities to find a job and live abroad.¹²⁵

In the same year the Olivos Protocol established a new procedure and a permanent structure to deal with dispute settlements of Mercosur decisions.¹²⁶ This protocol implemented the Permanent Tribunal of Revision (*Tribunal Permanente de Revisión*): a tribunal composed of five judges to deal with internal disputes.¹²⁷ Olivos Protocol introduced important innovation such as for instance the presence of ad hoc tribunals to issue temporary decisions and the permanent nature of the appeal court.¹²⁸ Even if this provision does not directly affect the social dimension of the regional organization under examination, it still is worth mentioning for its impact on the level of integration of Mercosur due to the permanent nature of the implemented disputes procedure and tribunal.

At the beginning of 2003, the Common Market Group pointed out in its agenda the six most important *pillars* of Mercosur integration. As reported by MercoPress in 2003 these topics were: "macroeconomic co-ordination; common trade policy (external tariff); asymmetries; institutional strengthening; productive chain integration and border integration".¹²⁹ It is possible to identify the area concerning internal asymmetries as more interesting for the purpose of this research since just one year after the CMG meeting the Mercosur Fund of Structural Convergence was established. This initial focus on the question regarding the asymmetries in Mercosur can be recognised as an essential element to deal with regional inequalities affecting the region.^{iv}

¹²⁴Mercosur, "Compromiso de Gramado, Marco Referencial para la Definición del Plan de Acción del Sector Educativo del Mercosur", Sector Educativo del Mercosur, (2001)

¹²⁵Bernal-Meza, Raúl. "Argentina Y Brasil En La Política Internacional: Regionalismo Y Mercosur (estrategias, Cooperación Y Factores De Tensión)." *Revista Brasileira De Política Internacional*, Rev. Bras. Polit. Int. 51, no. 2 (2008): 154-78. doi:10.1590/s0034-73292008000200010.

¹²⁶European Commission, Mercosur Strategy Paper (2007-2013), EC/2007/1604, (2007)

¹²⁷Mercosur, "Protocolo de Olivos Para la Solución de Controversias en el Mercosur. (1994)

¹²⁸Vervaele, John Ae. "Mercosur And Regional Integration In South America." *International and Comparative Law Quarterly ICLQ* 54, no. 02 (2005): 387-410. doi:10.1093/iclq/lei007.

¹²⁹MercoPress, "Mercosur's Common Market Group, GMC, currently convened in Asunción, the capital of Paraguay, confirmed that the block's presidential summit would be held next June in this city." 29th Jan 2003, (2003), Available at: <http://en.mercopress.com/2003/01/29/mercotur-summit-next-june>. Accessed on 3rd May 2016

In the same year, the *Representantes Permanentes del Mercosur* (CRPM) was created and Carlo Alvarez, former vice president of Argentina, was appointed as its first president.¹³⁰ This organ was established to support the Common Market Council and to deepen Mercosur structural integration and reinforce internal cohesion.¹³¹ This body was inspired by the European COREPER to give political directions on regionalization process of the organization.¹³²

2.2 The years 2004 – 2006 and the active reform of political and social strategies of Mercosur

Many of the most important events concerning the transformation of Mercosur's political agenda and integration took place between 2004 and 2006. After the presidential meeting in Buenos Aires in 2003, the Brazilian and Argentinean governmental axis threw their combined weight behind the political and social dimension of Merocosur.¹³³ Immediately after meeting in the Argentinean capital, Mercosur leaders elaborated a program, namely the "*Programa de Trabajo 2004-2006*", which aimed at strengthening the process of integration.¹³⁴

Then, starting from the presidential meeting in Iguazu in 2004, Mercosur's head of states focused their attention on a possible reform of the Protocol of Ouro Preto (POP)^v. The following presidential meeting, taking place in the city of Ouro Preto in December 2004, introduced three important innovations: the introduction of the High Level Group (*Grupo de Alto Nivel* or GAN) to discuss the institutional framework and trade and economic issues, the creation of the Mercosur Fund of Structural Convergence (FOCEM) and entrusted the Joint Parliamentary Commission (*Comisión Parlamentaria Conjunta*) to develop the proposal for the creation of the Mercosur Parliament.¹³⁵

¹³⁰Bernal-Meza, Raúl. "Argentina Y Brasil En La Política Internacional: Regionalismo Y Mercosur (estrategias, Cooperación Y Factores De Tensión)." *Revista Brasileira De Política Internacional*, Rev. Bras. Polít. Int. 51, no. 2 (2008): 154-78. doi:10.1590/s0034-73292008000200010

¹³¹Mercosur, "Sobrecreeación de la Comisión de Representantes Permanentes, CMC EXT/DEC. N° 11/03, (2003)

¹³²European Commission, Mercosur Strategy Paper (2007-2013), EC/2007/1604, (2007)

¹³³Geneyro, Ruben, and Mariana Vázquez. "La ampliación de la agenda política y social para el Mercosur actual." *Aldea Mundo* 11, no. 20 (2006): 7-18.

¹³⁴ ibidem

¹³⁵Bernal-Meza, Raúl. "Argentina Y Brasil En La Política Internacional: Regionalismo Y Mercosur (estrategias, Cooperación Y Factores De Tensión)." *Revista Brasileira De Política Internacional*, Rev. Bras. Polít. Int. 51, no. 2 (2008): 154-78. doi:10.1590/s0034-73292008000200010

Mercosur Fund of Structural Convergence (FOCEM) can be identified as one of the most important examples of this period of convergence and political alignment over social and developmental issues.¹³⁶ This innovative fund was established to finance economic projects of structural convergence, competition development and social cohesion promotion in the less developed areas of the South American region.¹³⁷

Box. 1

FOCEM: the economic engine of social and economic convergence in Latin America

The *Fondo para la Convergencia Estructural del Mercosur*, was created in 2004 during the OuroPreto presidential summit with the aim of reducing internal inequalities.¹³⁸ FOCEM is a useful instrument that can serve as an economic engine to reduce disparities among Mercosur members and to develop South-South cooperation.¹³⁹ It has approved and launched forty-four projects in twelve years covering different areas such as competition, tourism and social promotion.¹⁴⁰ This convergence fund has been generating remarkable profits for the enterprises operating in the region with a multiplying effect that suggested its renewal.¹⁴¹ In 2015 Mercosur presidential summit held in Brasilia renewed FOCEM for the next ten years thanks to its significant results.¹⁴²

Brazil contributed 70% of the fund's total budget of around one hundred millions US dollars per year.¹⁴³ Uruguay and Paraguay were the most consistent beneficiaries of the fund, receiving respectively more than 24% and 64% of the budget.¹⁴⁴ Most of the projects have focused on infrastructure, mainly roads and logistic structures.¹⁴⁵

Additionally, in 2005 the Protocol of Asuncion on Human rights of Mercosur was signed. This protocol emphasises the importance of Human Rights protection, promotion and guarantee and in the art. 1 it recognises: "the full observance of the democratic institutions

¹³⁶ibidem

¹³⁷"QuéEs FOCEM : FOCEM." QuéEs FOCEM : FOCEM. Accessed August 14, 2016.

<http://focem.mercosur.int/es/que-es/>.

¹³⁸EuropeanCommission, MercosurStrategyPaper (2007-2013), EC/2007/1604, (2007)

¹³⁹FOCEM - El Fondo para la ConvergenciaEstrucutural del Mercosur (2005-2015), (2000) p.4

¹⁴⁰"Proyectos FOCEM Página 5 : FOCEM." Proyectos FOCEM Página 5 : FOCEM. Accessed August 14, 2016.

<http://focem.mercosur.int/es/proyectos/?pag=5>.

¹⁴¹FOCEM - El Fondo para la ConvergenciaEstrucutural del Mercosur (2005-2015), (2000)

¹⁴²ibidem

¹⁴³EuropeanCommission, MercosurStrategyPaper (2007-2013), EC/2007/1604, (2007)

¹⁴⁴FOCEM - El Fondo para la ConvergenciaEstrucutural del Mercosur (2005-2015), (2000)p.11

¹⁴⁵ivi p.12

and the respect for human rights and fundamental freedoms are essential conditions for the observance and evolution of the process of integration among these parties”.¹⁴⁶ The approval of this protocol marks a fundamental step in Mercosur level integration and it implements a procedure to deal with serious and systemic violations of Human Rights.¹⁴⁷

In 2005, during the Uruguayan presidency semester, Tabaré Vázquez, launched “Somos Mercosur”: a new platform of collaboration in the organization that focused on citizens’ inclusion and on the creation of a common democratic space.¹⁴⁸ In the same year the Permanent Secretariat of Social Mercosur was created to deal with the organization social agenda and elaborate strategies and policies on youth, social economy, food health and social development.¹⁴⁹ The secretariat’s main purpose is to oversee the activities undertaken by Social Mercosur, an umbrella policy focusing on social issues in South America.¹⁵⁰

In June 2006 the Democratic Observatory of Mercosur was launched: an organ in charge for the observation of electoral performances in the organization’s member states to pursue Mercosur’s objectives related to human, social and democratic development.¹⁵¹ In the same year, the CMC approved the proposal for Mercosur Strategy for Employment Growth (*Estrategia Mercosur de Crecimiento de Empleo*) proposed by the High Level group established in 2004 in Ouro Preto.¹⁵²

Finally, two other extremely important events happened in the same period, making 2006 an particularly important year: first, MERCOSUR Social Summits were implemented to give more space to social movements in regional integration;¹⁵³ and secondly, in December 2006, Mercosur presidents agreed on the creation of Parlasur, the parliamentary assembly of the organization, which represents the people of the region and has advisory powers to implement democracy and political pluralism.¹⁵⁴

¹⁴⁶Mercosur, “Protocolo de Asunción Sobre Compromiso con la Promoción y Protección de los Derechos Humanos del Mercosur”, Decisión CMC 017/2005, (2005)

¹⁴⁷Garin, Andrea Lucas. “Human Rights and Regional Integration in Mercosur”. Proceedings of VIII Congress Constitutional Law on Constitutional Principles - held by the Association of Constitutional Law, Mexico, 6-10 December, (2010)

¹⁴⁸Geneyro, Ruben, Vázquez Mariana. “La ampliación de la agenda política y social para el Mercosur actual.” *AldeaMundo* 11, no. 20 (2006): 7-18.

¹⁴⁹Mercosur, “Informe Mercosur n°10 – Periodo: Segundo Semestre 2004- Primer Semestre 2005”, Instituto para la Integración de América Latina y el Caribe, (2005)

¹⁵⁰ *ibidem*

¹⁵¹Mercosur. “Observatorio de la democracia del Mercosur”, Mercosur/CMC/dec 24/06, (2006)

¹⁵² *ibidem*

¹⁵³Riggiozzi, Pía, and Tussie, Diana eds. *The rise of post-hegemonic regionalism: The case of Latin America*. Vol. 4. Springer Science & Business Media, 2012.

¹⁵⁴“Parlasur competencias”. Accessed August 14, 2016.

<https://www.parlamentomercosur.org/innovaportal/v/150/1/parlasur/competencias.html>

2.3 The long journey towards Parlasur

It is possible to identify, even before the 2000s, some fundamental steps that have paved the way towards the establishment of Parlasur. Firstly the treaty of Ouro Petro, which constitutes one of the founding documents of the organization, established the Joint Parliamentary Commission (*Comisión Parlamentaria Conjunta* or CPC) in 1994.¹⁵⁵ The commission, composed of parliamentary representatives from the organization members, had a consultative role in Mercosur decision-making process.¹⁵⁶ Several years after its creation, the Joint Parliamentary Commission signed an inter-institutional agreement with the Council of Common Market to enhance the process of Mercosur's laws and decisions ratification.¹⁵⁷ The deepening of the level of integration of the organization pushed the Council of Common Market in 2004 to authorise the CPC to elaborate the structure, aims and scopes of the organization Parliament.¹⁵⁸

In 2006 the approval process of the Protocol Establishing Mercosur Parliament was initiated, followed on 7th May 2007 by the first session of the newly established Parliament in Montevideo. This protocol inaugurated a transition phase (2006-2010), during which eighteen representatives from each National Parliament composed Parlasur. After this first transition phase, the members of the organization's Parliament would have been proportionally distributed among Mercosur countries.¹⁵⁹ Nevertheless, this proportional distribution will be completely effective only after the adoption in each member state of a direct election law for Parlasur members.¹⁶⁰ Currently only Paraguay (in 2007) and Argentina (in 2015) have directly elected their Parlasur members.¹⁶¹ In the meanwhile Parlasur composition has been set as the following table illustrates (see table 1). However, the absence of a direct election law, in the majority of Mercosur member states, demonstrates a lack of interest in fully implementing Parlasur effectiveness.¹⁶²

¹⁵⁵"ParlasurHistoria." Accessed August 14, 2016.

<https://www.parlamentomercosur.org/innovaportal/v/149/1/parlasur/historia.html>.

¹⁵⁶*ibidem*

¹⁵⁷*ibidem*

¹⁵⁸*ibidem*

¹⁵⁹*ibidem*

¹⁶⁰*ibidem*

¹⁶¹*ibidem*

¹⁶²Gardini, Gian Luca. "MERCOSUR: what you see is not (always) what you get." *European Law Journal* 17, no. 5 (2011): 683-700.

Table 1

Member states	Number of Parlasur Members (second transition period)	Number Parlasur Members (after the direct election)
Argentina	26	43 (elected in 2015)
Brazil	37	75
Paraguay	18	18 (elected in 2007)
Uruguay	18	18
Venezuela	23	33
Bolivia	18	18

Data has been taken from: <https://www.parlamentomercosur.org/innovaportal/v/149/1/parlasur/historia.html>

2.4 The Increase in Mercosur Social actions (2006 – 2011)

The actions and events included in the five years between 2006 and 2011 embodied a sort of institutionalization of social and political trend in Mercosur. Contemporarily to the entrance of Venezuela in Mercosur and Bolivian application, the organization members took some important provisions. As mentioned before, Social Summits started to take place from 2006: since then these annual meetings have provided an important forum for political participation and social inclusion.¹⁶³ Stakeholders representing political, social, civil and youth organizations and associations have been actively participating in these summits in order to influence Mercosur policy-making.¹⁶⁴ For instance, *Programa Mercosur Social y Solidario*, launched in the 2007 Montevideo Social Summit, represents one of the most important social programs agreed during an edition of the Social Summits. The program consisted in a platform of action composed of NGOs coming from Argentina, Brasil, Chile, Paraguay and Uruguay and representing farmers, women and young people, with the aim of transforming political potential in regional integration.¹⁶⁵ At the same time, the 2006 Mercosur presidential meeting in Cordoba (Argentina) testified the willingness of regional leaders to give a new

¹⁶³Unidad de Apoyo a la Participación Social (UPS) del MERCOSUR, “CumbresSociales del MERCOSUR II-Declaraciones y Documentos de Trabajo (Julio 2006 – Julio 2015)”, (2015)

¹⁶⁴“QuienesSomos.” Mercosur Social Y Solidario PMSS. Accessed August 14, 2016.
<http://www.mercosursocialsolidario.org/wp/quienes-somos/#>.

¹⁶⁵Unidad de Apoyo a la Participación Social (UPS) del MERCOSUR, “CumbresSociales del MERCOSUR II-Declaraciones y Documentos de Trabajo (Julio 2006 – Julio 2015)”, (2015)

impulse to the organization: President Hugo Chavez called for a “New Mercosur”, which would have openly welcomed the Venezuelan membership.¹⁶⁶

The *Reunión de Ministros y Autoridades de Desarrollo Social del Mercosur* founded the Social Institute of Mercosur (Instituto Social del MERCOSUR) in 2007 to implement Mercosur’s Strategic Plan of Social Action (the first attempt to elaborate social policies and projects), to monitor and design regional social projects and evaluate the impact of national and regional social policies.¹⁶⁷ In 2009 the Common Market Council established the Institute of Public Policies on Human Rights (*Instituto de Políticas Públicas en Derechos Humanos* or IPPDH): an organization to deal with institutional projects related to human rights issues in the areas of justice, equality, non-discrimination and heritage.¹⁶⁸ Some of its projects and publications included an investigation¹⁶⁹ on the status of the implementation of children and migrants rights, a study¹⁷⁰ of the indicators about non-equalitarian access to social rights and a co-founded project¹⁷¹ with FOCEM about social participation and governmental capacity. Only one year after the Common Market Council agreed on the introduction of the High General Representative of Mercosur (*Alto Representante-General del MERCOSUR*) to support its work in the development of the integration process in some particular areas such as education, culture, employment, social security, urban development, poverty and inequalities.¹⁷² In the same year, the *Unidad de Apoyo a la Participación Social* (UPS) was created in order to increase the participation of social organizations and movements in the region; since then the UPS has constantly contributed to the organization and agenda setting of Mercosur Social Summits.¹⁷³

In 2010 the Common Market Council envisaged a period of eleven years towards the elaboration of a Mercosur citizenship (scheduled to be implemented before 2021).¹⁷⁴ This decision is part of a broader program that includes some simplification on the free

¹⁶⁶Carranza, Mario E. "MERCOSUR: The global, economic crisis and the new architecture of regionalism in the Americas." *FLACSO/LATN WorkingPaper* 125 (2010).

¹⁶⁷"Mercosur Social » Instituto Social Del Mercosur." Instituto Social Del Mercosur RSS. Accessed August 14, 2016. <http://ismercotur.org/mercotur-social/>.

¹⁶⁸"Historia : IPPDH." Accessed August 14, 2016. <http://www.ippdh.mercotur.int/sobre-ippdh/>.

¹⁶⁹ *ibidem*

¹⁷⁰ *ibidem*

¹⁷¹ *ibidem*

¹⁷²"Alto Representante General Del MERCOSUR - Introduccion." MERCOSUR -. Accessed August 14, 2016. <http://www.mercotur.int/innovaportal/v/5635/4/innova.front/alto-representante-general-del-mercotur---introduccion>.

¹⁷³"Unidad De Apoyo a La Participacin Social (UPS)." MERCOSUR -. Accessed August 14, 2016. <http://www.mercotur.int/innovaportal/v/5817/5/innova.front/unidad-de-apoyo-a-la-participacion-social-ups>.

¹⁷⁴Pucheta, Mauro, “The Social Dimension of MERCOSUR”, *Centre for European Law and Legal Studies (CELLS) School of Law of the University of Leeds*, Vol. 3, Issue 5, (2014)

movements of people and the recognition of some fundamental political, economic and social rights to the region citizens.¹⁷⁵

In December 2011, Mercosur member states (Argentina, Brazil, Paraguay, Uruguay) and its associated states (Bolivia, Chile, Colombia, Ecuador, Peru and Venezuela) signed the Montevideo Protocol on Commitment to Democracy in Mercosur (Ushuaia II), which makes references to the famous Protocol of Ushuaia (1998), to implement some fundamental norms governing the democratic order in the region.¹⁷⁶ This document marked an important step in the Mercosur democratization role, since it provided important measures in case of breach of the democratic order.¹⁷⁷ In the same year the Strategic Plan for Social Action (PEAS) was introduced to clarify the engagement of Mercosur on more socially sustainable action to limit inequalities among countries and among citizens.¹⁷⁸ This strategic plan endorsed ten specific objectives concerning: poverty and hunger eradication, guarantee for Human rights (fighting in particular inequalities based on ethnicity, gender and race), public healthcare, education, cultural diversity, social rights, environmental sustainability, social dialogue and regional fund for social policies.¹⁷⁹

¹⁷⁵ibidem

¹⁷⁶Mercosur, “Protocolo de Montevideo sobre Compromiso con la Democracia en el Mercosur”, also known as Ushuaia II, 20th Dec. 2011, (2011)

¹⁷⁷AVN, “Mercosur ratifica la decisión colectiva de defender el orden democrático”, 19th Jan 2012, (2012), Available at: <http://www.avn.info.ve/contenido/mercotur-ratifica-decisi%C3%B3n-colectiva-defender-orden-democr%C3%A1tico>

¹⁷⁸Pucheta, Mauro, “The Social Dimension of MERCOSUR”, *Centre for European Law and Legal Studies (CELLS) School of Law of the University of Leeds*, Vol. 3, Issue 5, (2014)

¹⁷⁹Instituto Social del Mercosur, Plan Estratégico de Acción Social del Mercosur (PEAS), June 2012, (2012) Available at: <http://www.mercosur.int/innovaportal/v/6303/5/innova.front/plan-estrategico-de-accion-social-peas>

3. Conclusions

The left shift in national governments and the disenchantment with neoliberal policies after the yearly 2000s crisis has pushed South American countries to evaluate alternative forms of regional integration embracing social and political issues.¹⁸⁰ A wide spread of social governments, the so-called Pink Tide, has shaped South American regional experience.¹⁸¹ This new political wave has determined the establishment of two new regional experiences, respectively ALBA and UNASUR, and it gave a renewed impulse to Mercosur.¹⁸² The Common Market of the South integration has been drawn by the Argentinian-Brazilian political alignment during the presidencies of Lula and Néstor and Cristina Kirchner.¹⁸³ The Argentinean and Brazilian presidents agreed on common regional strategies based on a new social and political orientation of the organization.¹⁸⁴ The development of a more social and political agenda has been presented in the last part of this chapter and includes many examples of social oriented programs to reduce inequalities between and within Mercosur members. The purpose of this chapter, as illustrated in its introduction, was to analyse the left shift in governmental leading in South America as a possible reason of Venezuelan and Bolivian inclusion in Mercosur. It is possible to envisage that this change in the region politics and international relations could have pushed the two countries to join the organization. Presidents Evo Morales and Hugo Chavez have historically shared common political grounds that have privileged ALBA as regional project.¹⁸⁵ Nonetheless, they applied to and successfully joined Mercosur, a regional experience based on neoliberal strategies of market liberalization.¹⁸⁶ The reasons of this decision can be led back to the Mercosur social focus explained before. However, the strategic, political and economic reasons that have backed this choice will be discussed in the following chapter.

¹⁸⁰Phillips, Nicola. "The rise and fall of open regionalism? Comparative reflections on regional governance in the Southern Cone of Latin America." *Third World Quarterly* 24, no. 2 (2003): 217-234.

¹⁸¹Spronk, Susan. 2008. Pink Tide? Neoliberalism and its Alternatives in Latin America. *Canadian Journal of Latin American and Caribbean Studies* 33 (65): 173-86.

¹⁸²Tockman, Jason. "Rise of the Pink Tide-Trade, Integration, and Economic Crisis in Latin America, The." *Geo. J. Int'l Aff.* 10 (2009): 31.

¹⁸³Gian Luca Gardini, MERCOSUR: What You See Is Not (Always) What You Get, *European Law Journal*, Vol. 17, No. 5, September 2011, pp. 683–700, (2011), p. 688

¹⁸⁴Rigirozzi, Pia. "Reconstructing Regionalism: What does Development have to do with It?", in Rigirozzi, Pia, and Diana Tussie, eds. *The rise of post-hegemonic regionalism: The case of Latin America*. Vol. 4. Springer Science & Business Media, 2012.

¹⁸⁵Gardini, Gian Luca. "MERCOSUR: what you see is not (always) what you get." *European Law Journal* 17, no. 5 (2011): 683-700.

¹⁸⁶Pucheta, Mauro, "The Social Dimension of MERCOSUR", *Centre for European Law and Legal Studies (CELLS) School of Law of the University of Leeds*, Vol. 3, Issue 5, (2014)

Chapter two

When and how Venezuela and Bolivia Became Full Member of Mercosur

The second part of this study illustrates the integration path that led to the inclusion of Venezuela and Bolivia in Mercosur. Therefore this chapter is divided into two different parts to underline the differences and similarities between the Venezuelan and Bolivian experiences and to clarify the reasons behind their decision to join the organization. A potentially long list of explanations detailing the reasons behind the two countries' requests to be part of Mercosur has been whittled down to focus on the most significant reasons and events.

The first section explores the path that led to the inclusion of Venezuela in Mercosur, underlining the most significant summits, events, documents and declarations linked to it. After having built a detailed timeline of the mentioned elements, the ideological, political and economic reasons behind the decision are illustrated. The first part of this chapter concludes with a short interpretation of the Venezuelan adhesion to Mercosur and an evaluation of the main provisions undertaken by Hugo Chavez with Mercosur countries after Venezuela's membership application.

The second and last section of this work is fully dedicated to the Bolivian integration process as a full member of Mercosur, and it mirrors the first: it starts with a full acknowledgement of the Bolivian participation in Latin American regional integration and then assesses the strategic relationship between the two countries' leaders: Hugo Chavez and Evo Morales. This part ends with the integration phases of Bolivian question to gain the full membership of Mercosur and La Paz linkages with the bloc countries.

1. Venezuela joins Mercosur

The convergence path that led to the inclusion of Venezuela into Mercosur started during the presidency of Rafael Caldera, who strengthened his country's collaboration first with Brazil, and then with the other members of both Mercosur and CAN through bilateral trade agreements.¹⁸⁷ However, Hugo Chavez took the most significant steps towards Mercosur membership, emphasising the socio-political dimension of the regional integration.¹⁸⁸

After having analysed the main steps that led to the application as a full member of Mercosur, the study will focus on the ideological reasons behind Hugo Chavez's choice to join the organization. The subsection dedicated to the Chavist ideological framework also highlights the differences and similarities, connections and oppositions between the Venezuelan leader and the bloc's presidents. The last section will deal with the strategic, political and economic links built by Hugo Chavez with Mercosur members that have smoothed the way of Venezuela to becoming a full member of the bloc.

1.1 The Venezuelan integration path to Mercosur

Venezuela had already experienced regional integration and trade liberalisation before entering Mercosur: since 1973 it was actively part of CAN.¹⁸⁹ Thanks to its membership of CAN its leaders were able to strengthen economic ties with Colombia, which soon became Venezuela's second most important trade partner.¹⁹⁰ However, Hugo Chavez decided to distance Venezuela from CAN in 2005 when Colombia signed a free trade agreement with the United States, the quintessential nemesis of the Caudillo.¹⁹¹ After having withdrawn from CAN, Venezuela applied for full membership of Mercosur during the presidential meeting in December 2005.¹⁹²

¹⁸⁷Castillo, Alberto Martínez. "De la Comunidad Andina de Naciones al MercadoComún del Sur: nuevaestrategia de integración de Venezuela." *Colombia Internacional* 83 (2015): 203-233.

¹⁸⁸ ibidem

¹⁸⁹"Comunidad Andina Cronologia." Accessed August 14, 2016.

<http://www.comunidadandina.org/Seccion.aspx?id=196&tipo=QU&title=cronologia>.

¹⁹⁰Castillo, Alberto Martínez. "De la Comunidad Andina de Naciones al MercadoComún del Sur: nuevaestrategia de integración de Venezuela." *Colombia Internacional* 83 (2015): 203-233.

¹⁹¹Brown, Kristin L. "Venezuela joins Mercosur: the impact felt around the Americas." *Law & Bus. Rev. Am.* 16 (2010): 85.

¹⁹²Castillo, Alberto Martínez. "De la Comunidad Andina de Naciones al MercadoComún del Sur: nuevaestrategia de integración de Venezuela." *Colombia Internacional* 83 (2015): 203-233.

In the meanwhile the extraordinary convergence between President Lula and his Argentinean counterpart, Néstor Kirchner, shaped Mercosur aims to create the necessary space for the inclusion of more political and social goals in the organization.¹⁹³ As mentioned in the previous chapter, this space may have increased the chance for Venezuela to join the bloc. Hugo Chavez had a particular ideological formulation of regional integration that entailed social and political collaboration in South America.¹⁹⁴ The social shift operated by the Brazil-Argentina axis in the early 2000s in Mercosur definitely created a more welcoming atmosphere for Venezuelan inclusion in the organization.¹⁹⁵

In 2000 Venezuela formally gained the status of associate member of Mercosur.¹⁹⁶ Furthermore, Hugo Chavez approached Mercosur's members in the yearly 2000s to smooth his country's inclusion in the pact.¹⁹⁷ The economic and political ties linking Venezuela and the other Mercosur members will be analysed more in detail in the third section of this chapter. However, the entrance of Venezuela was already envisaged by Chavez at the beginning of 2000 in the "*Plan de Desarrollo Económico y Social de la Nación 2001-2007*" a strategic plan for the implementation of the Bolivarian Revolution that engaged the population in the economic and social development program of the country.¹⁹⁸ This document presented the operational strategies to develop the three main objectives of Venezuelan foreign policy: it made a direct reference to the future application of Venezuela as a full member of Mercosur.¹⁹⁹ However, this process of preparation ended in June 2004 when Hugo Chavez officially launched Venezuelan membership application.²⁰⁰

In 2005 Mercosur leaders agreed on the access of Venezuela in the organization and established an ad hoc committee to deal with the integration process.²⁰¹ During the same presidential summit Mercosur leaders opted for a more critical interpretation of the regional

¹⁹³Gardini, Gian Luca. "MERCOSUR: what you see is not (always) what you get." *European Law Journal* 17, no. 5 (2011): 683-700.

¹⁹⁴Di Ruzza, Marco. *L'America Latina sulla scena globale: nuovi lineamenti geopolitici di un continente in crescita*, Rubbettino Editore, 2011

¹⁹⁵Kozloff, Nikolas. *Hugo Chávez: Oil, politics, and the challenge to the US*. St. Martin's Griffin, 2015.

¹⁹⁶Briceño-Ruiz, José. "O Mercosulnapolítica de integração de Venezuela." *Civitas-Revista de Ciências Sociais* 10, no. 1 (2010): 77-96.

¹⁹⁷Álvarez Rodríguez, Víctor. "Oportunidades y desafíos del ingreso de Venezuela al Mercosur", *Rébelion* – news section, 29th Jul. 2012, (2012) Available at: <http://www.rebelion.org/noticia.php?id=153751>

¹⁹⁸Ortiz, Enio. "Desafíos y Oportunidades de Venezuela en la búsqueda de Acceso a Mercados con Países de la Comunidad Andina, Chile Y Mercosur", *CONHISREMI, Revista Universitaria de Investigación y Diálogo Académico*, Volumen 10, Número 2, (2013)

¹⁹⁹República Bolivariana de Venezuela, *Lineas Generales del Plan de Desarrollo Económico y Social de la Nación 2001-2007*, September 2001

²⁰⁰Briceño-Ruiz, José. "O Mercosulnapolítica de integração de Venezuela." *Civitas-Revista de Ciências Sociais* 10, no. 1 (2010): 77-96.

²⁰¹Álvarez Rodríguez, Víctor. "Oportunidades y desafíos del ingreso de Venezuela al Mercosur", *Rébelion* – news section, 29th Jul. 2012, (2012) Available at: <http://www.rebelion.org/noticia.php?id=153751>

organization and called for an institutional reform that would have taken into consideration the ideological background of the new member.²⁰² The official protocol of the adhesion of Venezuela in Mercosur was signed on 4th July 2006 during the presidential summit in Cordoba (Argentina).²⁰³ During the same summit Mercosur leaders stood up for a renovation of the organization's agenda in order to include social and developmental issues.²⁰⁴ The 2006 Cordoba meeting represents one of the most important meetings in the history of "Social Mercosur" since it established the beginning of what Chavez called a "New Mercosur", which Venezuela was eager to join.²⁰⁵

The process of ratification of this decision was unquestionably troubled due to the fierce opposition of the Brazilian and Paraguayan parliaments.²⁰⁶ Venezuela waited until 2012 to become officially a member of Mercosur, after a Brazilian parliament vote and the Paraguayan suspension from the organization.²⁰⁷ Although the Venezuelan inclusion into Mercosur was strongly supported by president Lula, the Brazilian Congress and Senate raised some concerns about it.²⁰⁸ In particular two episodes threatened the ratification by the parliament: Hugo Chavez's decision not to renew Radio Caracas Televisión (RCTV) licence in 2007, and the 2009 revision of the Venezuelan constitution that limited democratic alternation of government.²⁰⁹ These events will be largely discussed in the third chapter of this work.

Moreover, Paraguay raised the same democratic concerns, pointing out the clear violation of the provision contained in the Ushuaia Protocol.²¹⁰ The Paraguayan Parliament rejected the

²⁰²Geneyro, Ruben, and Mariana Vázquez. "La ampliación de la agenda política y social para elMercosuractual." *AldeaMundo* 11, no. 20 (2006): 7-18

²⁰³Bernal-Meza, Raúl. "Argentina Y Brasil En La PolíticaInternacional: Regionalismo Y Mercosur (estrategias, Cooperación Y Factores De Tensión)." *Revista Brasileira De PolíticaInternacional*, Rev. Bras. Polit. Int. 51, no. 2 (2008): 154-78. doi:10.1590/s0034-73292008000200010.

²⁰⁴Valente, Marcela. "SOUTH AMERICA: Less Asymmetry, More Social Development in Mercosur, Inter Press Service", 21st July 2006, (2006) Available at: <http://www.ipsnews.net/2006/07/south-america-less-asymmetry-more-social-development-in-mercosur/>

²⁰⁵Carranza, Mario E. "MERCOSUR: The global, economic crisis and the new architecture of regionalism in the Americas." *FLACSO/LATN Working Paper* 125 (2010).

²⁰⁶Gardini, Gian Luca. "MERCOSUR: what you see is not (always) what you get." *European Law Journal* 17, no. 5 (2011): 683-700.

²⁰⁷Martínez Castillo, Alberto. "Venezuela: política e integraciónregional." *Cuadernos del CENDES* 28, no. 78 (2012): 95-114.

²⁰⁸Council of Hemispheric Affairs. "While Brazilian Senators Debate, Venezuela is on the Brink of Being Confirmed as Mercosur's Fifth Member", coha.org, 16th November 2009, (2009) Available at: <http://www.coha.org/venezuela-brink-of-mercosur/>

²⁰⁹Goldzweig, Rafael Schmuziger. "A Entrada Da Venezuela No Mercosul: AnáliseDosAspectosPolíticos E Econômicos." *Revista de IniciaçãoCientíficaemRelaçõesInternacionais* 1, no. 1 (2013): 02-29.

²¹⁰Buenos Aires Herald. "Paraguayan Senate rejects Venezuela's entry to Mercosur", buenosairesherald.com, 24th Aug. 2012, (2012) Available at: <http://www.buenosairesherald.com/article/109662/paraguayan-senate-rejects-venezuela%E2%80%99s-entry-to-mercosur>

ratification act on Venezuelan inclusion in Mercosur.²¹¹ However, the exclusion of Paraguay from Mercosur in June 2012 made this vote merely symbolic.²¹² President Franco strongly opposed the entrance of Venezuela in the bloc due to the contested legality of the strategic exclusion of Paraguay from the decision.²¹³ These issues require further explanation, which will be given in the third chapter.

However, the main reasons why Venezuela asked for full membership of Mercosur are various. In this study two kinds of reasons have been taken into account, recognising their relevance for the comparison between the Venezuelan and Bolivian paths to gain Mercosur membership. The following two paragraphs will analyse in depth Hugo Chavez's ideological orientation in foreign policy and the political and economic ties of Venezuela with the Mercosur members: these two elements have been selected as the most fundamental reasons behind Venezuelan membership of Mercosur.

1.2 Chavez and the ideological reasons behind Venezuelan foreign policy

The presidency of Hugo Chavez in Venezuela represented a fundamental shift in the political, economic and social dimensions of the country. He proposed new strategies for economic and social development as well as a revolutionary plan for the political and ideological orientation of his country.²¹⁴ Hugo Chavez was deeply fascinated by Karl Marx's ideas and anti-imperialistic movements since his youth.²¹⁵ After having studied political science at the Simon Bolivar University in Caracas and having participated in left-wing activities his ideology was fully shaped by left-wing anti-imperialism.²¹⁶

Hugo Chavez's ideological position was the main source of orientation for foreign policy decisions during his term, including the decision to join Mercosur. The new strategy proposed by him was based on three assumptions: first, the promotion of a multi-polar world;

²¹¹ *ibidem*

²¹² Martínez Castillo, Alberto. "Venezuela: política e integración regional." *Cuadernos del CENDES* 28, no. 78 (2012): 95-114.

²¹³ Simon, Roberto. Interview with Federico Franco, "President of Paraguay: 'Nosso problema não é a Venezuela, mas Chávez dentro do Mercosul'", *Estadao.com*, 5th Aug 2012, (2012) Available at: <http://internacional.estadao.com.br/noticias/geral,nosso-problema-nao-e-a-venezuela-mas-chavez-dentro-do-mercoul-imp-,911400>

²¹⁴ Kozloff, Nikolas. *Hugo Chávez: Oil, politics, and the challenge to the US*. St. Martin's Griffin, 2015.

²¹⁵ Corrales, Javier, and Michael Penfold. *Dragon in the Tropics: Venezuela and the Legacy of Hugo Chavez*. Brookings Institution Press, 2015.

²¹⁶ *ibidem*

second, the strengthening of South-South cooperation and, lastly, the promotion of Bolivarian integration.²¹⁷

The promotion of the multi-polar world was conceived to oppose the hegemony of the US, which had orchestrated *coup d'état* and supported dictatorships in Latin America in the opinion of the Venezuelan leader.^{vi} This sparked his fierce opposition to neo-liberalism and more in particular against the United States interests and projects.²¹⁸ For this reason, during his speech at the United Nations in 2006, President Chavez repeatedly referred to President George W. Bush as “the devil”.²¹⁹ He strongly believed in the creation of an alternative coalition in Latin America to impede USA influence in the region.²²⁰ Chavez testified his aversion for US neoliberal strategy in more than one occasion, and in particular he was a committed opponent of the creation of the Free Trade Agreement of the Americas (FTAA) sponsored by the US.²²¹ Among the initiatives taken by President Chavez to support the establishment of a multi-polar world were: PetroCaribe (a platform of almost 15 Caribbean countries for oil exchange), PetroSur (a multinational program for the distribution and refinement of oil) and ALBA.²²² Furthermore, the inclusion of Venezuela in Mercosur would have created the space for a full implementation of an alternative to neo-liberalism.

As far the South-South cooperation is concerned, Hugo Chavez promoted several initiatives to support a tight cooperation between the “South” countries, in particular he sponsored bilateral projects with Argentina, Ecuador, Bolivia Cuba and Nicaragua.²²³ However, one the most important proposals in this framework is the Bank of the South. The Venezuelan President created *Banco del Sur* or Bank of the South in 2007 to oppose the neoliberal trend he perceived in many international organizations (such as the International Monetary Fund, the World Bank and the WTO) at that time.²²⁴ His Latin American allies largely accepted this project, which consisted in a development bank to reduce dependency on the US and other

²¹⁷Briceño-Ruiz, José. "O Mercosulnapolítica de integração de Venezuela." *Civitas-Revista de Ciências Sociais* 10, no. 1 (2010): 77-96. p. 79

²¹⁸Kozloff, Nikolas. *Hugo Chávez: Oil, politics, and the challenge to the US*. St. Martin's Griffin, 2015.

²¹⁹Brown, Kristin L. "Venezuela joins Mercosur: the impact felt around the Americas." *Law & Bus. Rev. Am.* 16 (2010): 85.

²²⁰Briceño-Ruiz, José. "O Mercosulnapolítica de integração de Venezuela." *Civitas-Revista de Ciências Sociais* 10, no. 1 (2010): 77-96. p. 79

²²¹Kozloff, Nikolas. *Hugo Chávez: Oil, politics, and the challenge to the US*. St. Martin's Griffin, 2015.

²²²Corrales, Javier, and Michael Penfold. *Dragon in the Tropics: Venezuela and the Legacy of Hugo Chavez*. Brookings Institution Press, 2015.

²²³*ibidem*

²²⁴The Economist. “Hugo Chávez moves into banking - Venezuela and Brazil battle quietly over the shape of a planned regional development bank”, 10th May 2007, (2007) Available at: <http://www.economist.com/node/9149736>

international organization sponsoring its hegemony.²²⁵ Besides the fact that Banco del Sur was mainly funded by Argentinean and Brazilian contribution, this projects shares the same developmental orientation of the *Fondo para la Convergencia Estructural del Mercosur* (FOCEM): one of the similarities between Mercosur projects and Venezuelan plan that may have smoothed the path to Venezuelan inclusion in the bloc.

President Hugo Chavez is famous for having restored the cult of the historic and heroic figure of Simón Bolívar: the architect of Latin America independence.²²⁶ Simón Bolívar was the major source of inspiration for Chavez's presidency, and his ideological influence backed the privileged relationship between Venezuela and the Andean countries, as well the struggle against what has been identified as the new colonial power: the US.²²⁷ The Alternativa Bolivariana para la América (ALBA, which means sunrise in Spanish) represented a fundamental element of Chavez's regional policy: this organization reflects the idea of creating a political social-oriented alternative to the hegemony of neo-liberalism.²²⁸ Moreover, Chavez's conception of regional integration was backed by a political and ideological rationale, ideally reflected by ALBA, which would have supported the expected economic reasons insufficient to support a meaningful regional project.²²⁹ Therefore, ALBA was also inspired by an innovative sense of regional integration that privileges less-developed countries in order to decrease disparities and asymmetries among members of the region.²³⁰ In conclusion, the Venezuelan decision to take part in Mercosur was part of a broader plan that included South-South cooperation, the foundation of a multi-polar world regime and the promotion of a more socially-oriented regionalism. As clarified by the "*Plan de Desarrollo Económico y Social de la Nación 2001-2007*", one of the main strategies to fulfil the objective of multi-polar world promotion was being a full member of Mercosur to develop a new model of economic regional integration.²³¹

²²⁵ Soares de Arruda, Plinio. "BancoSur should be a bank to finance a socialist economy", People's Agenda for Alternative Regionalism, 18th June 2007, (2007) available at: <http://www.alternative-regionalisms.org/?p=2218>

²²⁶ Kozloff, Nikolas. *Hugo Chávez: Oil, politics, and the challenge to the US*. St. Martin's Griffin, 2015

²²⁷ *ibidem*

²²⁸ Corrales, Javier, and Michael Penfold. *Dragon in the Tropics: Venezuela and the Legacy of Hugo Chavez*. Brookings Institution Press, 2015.

²²⁹ *ibidem*

²³⁰ Alberto Martínez Castillo, De la Comunidad Andina de Naciones al Mercado Común del Sur: nueva estrategia de integración de Venezuela, Universidad Simón Bolívar (Venezuela), (2014).

DOI: [dx.doi.org/10.7440/colombiaint83.2015.08](https://doi.org/10.7440/colombiaint83.2015.08)

²³¹ Castillo, Alberto Martínez. "De la Comunidad Andina de Naciones al Mercado Común del Sur: nueva estrategia de integración de Venezuela." *Colombia Internacional* 83 (2015): 203-233.

²³¹ República Bolivariana de Venezuela, Líneas Generales del Plan de Desarrollo Económico y Social de la Nación 2001-2007, September 2001

Mercosur members were not only fundamental South American bloc powers and regional leaders but also some of the most important political and economic partners of Venezuela, as will be later explained, and for this reason they represented an essential element for the completion of a common Latin American regional strategy. Before joining Mercosur and after its membership application, Venezuela strongly supported a renovation of Mercosur in a more social sense.²³² As reported by the BBC in 2007, Chavez pointed out the necessity for Mercosur to be “de-contaminated from neo-liberalism”.²³³ As demonstrated in the previous chapter, the left shift in Mercosur governments affected its agenda, which started to include more social and political issues overcoming the original economic purposes of the organization.

1.3 Economic and political ties with Mercosur members

The reasons why Venezuela applied to acquire the status of full member in Mercosur not only entail the ideological orientation of Hugo Chavez but they also reflect the political and economic ties that existed between Mercosur members and Venezuela. Therefore, the economic and political relations between Venezuela and Argentina, Brazil, Paraguay and Uruguay will be discussed in the following sub-section of this paragraph.

1.3.1 Argentina

The economic relations between Argentina and Venezuela consistently increased during the presidencies of Néstor Kirchner and Hugo Chavez.²³⁴ During his presidential term, Néstor Kirchner strengthened ties, not only with his Brazilian counterpart, but also with the Venezuelan President. The number of agreements signed between the two countries during the Kirchner term was higher than with any other commercial partner.²³⁵ During their presidencies, the two leaders periodically met to discuss economic issues: their ties

²³²Politi, Daniel. “Chávez Wins, Kirchner Wins”, The New York Times, 9th Oct. 2012, (2012) Available at: <http://latitude.blogs.nytimes.com/2012/10/09/chavezs-re-election-is-a-boost-to-argentinas-kirchner/>

²³³BBC, “Mercosur 'must tackle inequality'”, [bbc.co.uk](http://news.bbc.co.uk/2/hi/americas/6278307.stm), 19th Jan. 2007, (2007), Available at: <http://news.bbc.co.uk/2/hi/americas/6278307.stm>

²³⁴Roark, Mariano, and Antonela Giglio. "Más allá de las ideologías. El comercio y las finanzas entre Argentina y Venezuela (2003-2008)." *Íconos-Revista de Ciencias Sociales* 38 (2013): 81-93.

²³⁵Malamud, Andrés. “Argentine Foreign Policy under the Kirchners” in Gardini, Gianluca, and Peter Lambert, eds. *Latin American foreign policies: between ideology and pragmatism*. Springer, 2016.

were essential for the regional integration of Latin America.²³⁶ As President Chavez said: "I firmly believe that we are designated [...] to be the great motors pushing this process of integration forward, Argentina from Patagonia and Venezuela from the Caribbean"²³⁷. In particular, the two presidents built their economic ties on two specific sectors: energy and financial assistance.²³⁸

As far as the financial assistance is concerned, it is essential to discuss the importance of Venezuelan contribution as a financial lender for Argentina, especially in its critical downturn in 2001. In this case, Venezuela bought seven billion dollars of Argentine obligations between 2005 and 2008, which allowed the latter not to negotiate any debt restructuring with the IMF.²³⁹ Venezuela basically provided liquidity and financial support for Argentina for the whole period of the crisis.²⁴⁰ The decision to support Argentina could be interpreted as the strategic implementation of the South-South cooperation inaugurated by the Chavez presidency.

Starting from 2004, the *Banco de Desarrollo Social de la República Bolivariana de Venezuela* (BANDES) and the *Banco de Inversión y Comercio Exterior de la República de Argentina* (BICE) collaborated to develop the bilateral exchange of energy between the two countries.²⁴¹ Thanks to the agreement over the *Convenio Integral de Cooperación y Anexos* Argentina and Venezuela established an important channel of energy and economic cooperation that solved Argentinean energy issues and the Venezuelan lack of food and agricultural technologies.²⁴² This agreement produced positive results for both partners; in particular, Argentina was able to increase its agrifood tech export.²⁴³ Moreover, the strengthening of the two countries' relations on energy supplies was instrumental for the realization of the *Gasoducto del Sur*, a gas distribution system that would have connected Latin America, making Argentina less vulnerable.²⁴⁴

²³⁶Suggett, James. "Venezuela and Argentina Increase Cooperation in Gas, Agriculture, and Finance", *Venezuelanalysis.com*, 19th May 2009, (2009), Available at: <http://venezuelanalysis.com/news/4453>

²³⁷*ibidem*

²³⁸Revelez, Lincoln Bizzozero. "Kirchner-Chávez: un nouveau dessin des relations sur la carte sud-américaine." *Outre-Terre* 1 (2008): 375-380.

²³⁹Suggett, James. "Venezuela and Argentina Increase Cooperation in Gas, Agriculture, and Finance", *Venezuelanalysis.com*, 19th May 2009, (2009), Available at: <http://venezuelanalysis.com/news/4453>

²⁴⁰*ibidem*

²⁴¹Revelez, Lincoln Bizzozero. "Kirchner-Chávez: un nouveau dessin des relations sur la carte sud-américaine." *Outre-Terre* 1 (2008): 375-380.

²⁴²Roark, Mariano, and Antonella Giglio. "Más allá de las ideologías. El comercio y las finanzas entre Argentina y Venezuela (2003-2008)." *Íconos-Revista de Ciencias Sociales* 38 (2013): 81-93.

²⁴³Pioli, Fernando. "El ingreso de Venezuela al Mercosur: potencialidades para las exportaciones argentinas." *Revista del CEI*, 3 (2006): 7-21.

²⁴⁴Revelez, Lincoln Bizzozero. "Kirchner-Chávez: un nouveau dessin des relations sur la carte sud-américaine." *Outre-Terre* 1 (2008): 375-380.

However, the collaboration between Argentina and Venezuela did not only include two specific issues but even entailed multilateral partnerships with other Latin American countries. For instance, in December 2003 the two countries participated, with Ecuador and Colombia, in the Free Trade Agreement, with the aim to liberalise bilateral commerce among these regions in 15 years.²⁴⁵ This agreement was part of the broader collaboration between CAN and Mercosur and it established the *Acuerdo de Complementación Económica* number 59 (ACE 59) that provided an immediate tariff reduction for several strategic products.²⁴⁶ Furthermore, the two countries enthusiastically and financially contributed to the *Banco del Sur* initiative together with Brazil, Ecuador, Bolivia, Paraguay, and Uruguay.

1.3.2 Brazil

Despite the large number of disputes and issues that characterized the relations between Venezuela and Brazil, their economic collaboration and political affiliation continued to positively shape the inclusion of the former into Mercosur.²⁴⁷ The two leaders, Lula and Chavez, had divergent ideas over Latin American international projection and conflicting opinions about collaborating with the US: these divergences will be largely discussed in the last chapter of this work. However, the two countries had an economic and political affiliation during the two presidents' terms.

Hugo Chavez is famous for having used oil production as a negotiating instrument to fulfil his political and ideological goals.²⁴⁸ Consequently, he sought in the fusion of Petrobras (Brazilian petroleum semi-public company) and Petróleos de Venezuela, S.A. (the state owned oil company of Venezuela) a chance to fund an "OPEC" of the American countries and contrast US hegemony on energy supply.²⁴⁹ Chavez repeatedly pushed his Brazilian counterparts to collaborate on the foundation of PetroAmérica: a project that would have strengthened the energetic independence of the region through the collaboration of the state-owned oil companies of South America.²⁵⁰

²⁴⁵Roark, Mariano, and Antonela Giglio. "Más allá de las ideologías. El comercio y las finanzas entre Argentina y Venezuela (2003-2008)." *Íconos-Revista de Ciencias Sociales* 38 (2013): 81-93.

²⁴⁶ *ibidem*

²⁴⁷Di Ruzza, Marco. *L'America Latina sulla scena globale: nuovi lineamenti geopolitici di un continente in crescita*, Rubbettino Editore, 2011

²⁴⁸Kozloff, Nikolas. *Hugo Chávez: Oil, politics, and the challenge to the US*. St. Martin's Griffin, 2015.

²⁴⁹ *ibidem*

²⁵⁰ *ibidem*

However, President Cardoso had seemed to be more enthusiastic on this project than Lula, who opted for a more fluctuating relationship with Venezuela.²⁵¹ Nevertheless, Lula decided to assist the Venezuelan oil industry on more than one occasion: for instance, he offered Brazilian oil specialists to help PdVSA during the 2003 Venezuelan oil lockout.²⁵² In the same year, Lula seemed more prone to accept Venezuelan proposals as reported by the BBC: “Brazilians have moved in President Chavez's direction”.²⁵³ The collaboration on oil industry development between Brazil and Venezuela lately concluded in a broader agreement, which entailed the involvement of Uruguay and Argentina, establishing PetroSur: a cooperative project between the oil state companies of the participating countries.²⁵⁴

As far the political affiliation between the two leaders was concerned, Lula and Chavez had always maintained a relationship of mutual support and respect. More in particular, Hugo Chavez had a personal and political admiration for the Brazilian President, as he declared in the World Social Summit in Porto Alegre: “I love Lula. I appreciate him. Lula is a good man with a great heart. He is a brother and *compañero* and I leave him my embrace and my appreciation”²⁵⁵.²⁵⁶ Even if the two presidents supported two different interpretations of Latin American social democracy, as highlighted by Castañeda^{vii} in 2006, their political convergence was instrumental for their foreign policy objectives: on the one hand, Lula used the special friendship with Chavez to gain more leverage on his confrontation with the US; on the other hand, Hugo Chavez saw in Lula the perfect partner to develop his regional project and to fight against US hegemony and neo-liberalism in Latin America.²⁵⁷

In conclusion, the economic and energetic interests of the two countries as well as the two leaders’ political affiliation represented two fundamental elements for the inclusion of Venezuela in Mercosur. As Lula realized, the strategic economic and energetic importance of Venezuela would have brought important benefit to the regional organization.²⁵⁸

²⁵¹ *ibidem*

²⁵² *ibidem*

²⁵³ Bruce, Iain. “Lula and Chavez to boost alliance”, BBC News, 14 Feb. 2005, (2005) Available at: <http://news.bbc.co.uk/2/hi/americas/4263025.stm>

²⁵⁴ Mather, Steven. “Venezuela Pays for First ALBA Trade with Ecuador in New Regional Currency”, *Venezuelanalysis.com*, 7th Jul. 2010, (2010) Available at: <http://venezuelanalysis.com/news/5480>

²⁵⁵ “Mistero del Poder Popular para Relaciones Exteriores. “Hugo Chavez, ‘Foro Social Mundial: el sur, norte de nuestros pueblos desde el gimnasiogigantinho”. Porto Alegre Brasil 30 de Enero de 2005”, available at: <http://www.mre.gov.ve/Noticias/Presidente-Chavez/A2005/>

²⁵⁶ French, John D. “Understanding the Politics of Latin America's Plural Lefts (Chavez/Lula): social democracy, populism and convergence on the path to a post-neoliberal world.” *Third World Quarterly* 30, no. 2 (2009): 349-370.

²⁵⁷ *ibidem*

²⁵⁸ Di Ruzza, Marco. *L'America Latina sulla scena globale: nuovi lineamenti geopolitici di un continente in crescita*, Rubbettino Editore, 2011

1.3.3 Paraguay and Uruguay

Paraguay and Uruguay are the smallest states in Mercosur and they suffer from huge disparities with their bigger counterparts: Brazil and Argentina. The entrance of Venezuela in the block was felt in different way by the two countries. However, both countries blamed the two bloc leaders, Argentina and Brazil, for having underestimated their requests and interests: in particular, Tabaré Vázquez, former Uruguayan president from 2005 to 2010 and currently holding his term since 2015, accused Argentina of unreasonably threatening Uruguayan economic interests with the Pulp Mill Dispute^{viii}.²⁵⁹ Therefore, the entrance of a new country in Mercosur would have created the premise for a different distribution of power, which would have lowered Brazilian and Argentinean supremacy.²⁶⁰

It is worth mentioning the enthusiastic commitment and activism of president Vázquez for the development of a social agenda in Mercosur, particularly thanks to his program “*Somos Mercosur*” launched in 2005. Moreover, the economic and political relationship between Venezuela and Uruguay became even deeper during the presidential terms of Hugo Chavez and José Mujica, Uruguayan president from 2010 to 2015. The special relationship between the two was motivated by their shared values and opinions: Chavez used to call Mujica a mentor due to his participation in guerrilla fighters.²⁶¹ The two leaders signed numerous economic and political agreements in various areas in 2011, to promote agricultural and industrial cooperation.²⁶² In the lead up to Venezuelan inclusion into Mercosur, the Uruguayan president forecast that Caracas would have soon become his country’s third most important trade partner, following an exponential growth in trade volume.²⁶³ “Pepe” Mujica expressed the importance of the event affirming: “It is not that Venezuela is joining Mercosur: it’s Mercosur that is joining Venezuela, or don’t we realize that Venezuela is a strategic country for Latin America?”²⁶⁴, despite the political leadership, Venezuela’s importance for the region cannot be denied.²⁶⁵

²⁵⁹ibidem

²⁶⁰ibidem

²⁶¹MercoPress. “Mujica consolidates close trade and energy links with Venezuela”, 8th Apr. 2010, (2010) Available at: <http://en.mercopress.com/2010/04/08/mujica-consolidates-close-trade-and-energy-links-with-venezuela>

²⁶²Reardon, Juan. “Venezuela and Uruguay Sign 12 Bilateral Cooperation Agreements”, Venezuelanalysis.com, 28th January 2011, (2011) Available at: <http://venezuelanalysis.com/news/5964>

²⁶³ibidem

²⁶⁴MercoPress. “Mujica forecasts Venezuela will rapidly become Uruguay’s third trade partner”, 28th July 2012, (2012) Available at: <http://en.mercopress.com/2012/07/28/mujica-forecasts-venezuela-will-rapidly-become-uruguay-s-third-trade-partner>

²⁶⁵ibidem

As already mentioned, oil trade has driven a big part of Venezuelan diplomatic action: since 2005 Uruguay and Venezuela have exchanged agriculture for oil, consistently contributing to the development of the former. After the renewal of this agreement in 2010, president Mujica commented the Venezuelan oil supply as follow: “no government, no world power, has offered the solidarity and acceptance that we have received from this country”²⁶⁶, expressing the great contribution of this trade deal.²⁶⁷

As far as the relationship between Paraguay and Venezuela is concerned, it is fundamental to mention the “pendular policy”²⁶⁸ held by Paraguayan presidents oscillating between Latin America integration and US hegemony.²⁶⁹ Both Paraguayan presidents, Nicanor Duarte Frutos and Fernando Lugo, have developed initiatives with Latin American countries while continuing to support security operations with the US.²⁷⁰ For instance, President Duarte approved the presence of several US military missions on Paraguayan territory during his term, while President Lugo fully cooperated with the US on the Drug Enforcement Administration (DEA)^{ix}.²⁷¹

However, the political orientation of Fernando Lugo and the strategic economic importance of Venezuela pushed the Paraguayan president to sign several agreements on energetic and food security with Hugo Chavez in 2008.²⁷² In the same year the Asunción government agreed on Venezuelan inclusion in Mercosur, probably acknowledging the strategic importance of the country to counterbalance Brazilian hegemony.²⁷³ Nevertheless, the ideological proximity of the two presidents and the strategic importance of Venezuela were not enough to contain the opposition of the Paraguayan Senate to the inclusion of Caracas into Mercosur due to the low democratic performance of president Chavez: this issue will be largely discussed in the third chapter.

²⁶⁶Suggett, James. “Venezuela and Uruguay Trade Oil for Food, Promote Latin American Integration”, *Venezuelanalysis.com*, 8th Apr 2010, (2010) Available at: <http://venezuelanalysis.com/print/5255>

²⁶⁷*ibidem*

²⁶⁸Lambert, Peter. “Dancing Between the Superpowers: Ideology, Pragmatism, and Drfits in Paraguayan Foreign Policy” in Gardini, Gianluca, and Peter Lambert, eds. *Latin American foreign policies: between ideology and pragmatism*. Springer, 2016.p. 75

²⁶⁹*ivi*

²⁷⁰*ivi*

²⁷¹*ivi*

²⁷²Torres Romero, Jorge. “Al “maletinero” de Hugo Chávez se lo ve por el Paraguay desde 2008”, *ABC Color*, 29th Jun. 2012, (2012) Available at: <http://www.abc.com.py/edicion-impresa/politica/al-maletinero-de-hugo-chavez-se-lo-ve-por-el-paraguay-desde-2008-431799.html>

²⁷³Lambert, Peter. “Dancing Between the Superpowers: Ideology, Pragmatism, and Drfits in Paraguayan Foreign Policy” in Gardini, Gianluca, and Peter Lambert, eds. *Latin American foreign policies: between ideology and pragmatism*. Springer, 2016

1.4 Venezuela leading projects with Mercosur countries

As it has been described in the previous sections, the reasons behind the inclusion of Venezuela in Mercosur were various. On the one hand, as far Argentinean and Brazilian points of view are concerned, there were ideological, economical and energy reasons that pushed Néstor Kirchner and Lula da Silva to strengthen links with Chavez and Venezuela.²⁷⁴ On the other hand the two smallest states of the alliance, Paraguay and Uruguay, had different opinions on Caracas: the former oscillated between Latin American regionalism and US hegemony, while the latter was more politically affiliated to the Venezuelan *caudillo*. Nonetheless, the two small nations shared a common interest in having a new member of Mercosur: the full membership of Venezuela would have been fundamental to contrast the Argentina-Brazil axis of power and to rebalance the bloc.²⁷⁵

However, there are two different interpretations on Venezuela's membership of Mercosur as reported by Professor Carranza in "Mercosur, the Global Economic Crisis, And the New Architecture of Regionalism in the Americas": Venezuela was included in the organization to limit the spread of the Chavist revolution and continue the promotion of trade liberalization in Latin America; or on the opposite, the left and centre-left governments of Latin America have seen in the Bolivarian alternative proposed by Chavez a way to solve the bloc's inequalities, poverty and economic issues.²⁷⁶ The former interpretation is backed by the fact that Mercosur's main aim is to promote trade liberalization and to safeguard their members' national interests.²⁷⁷ Moreover, even if the majority of the Mercosur leaders sympathised with Chavez, their actual political agendas sometimes diverged.²⁷⁸

Nevertheless, what has been pointed in this work is that, even if with some remarkable differences, Mercosur's leaders, in particular Lula and Néstor Kirchner, saw in the inclusion of Venezuela in the organization a big opportunity to expand not only economic ties but also

²⁷⁴Kozloff, Nikolas. *Hugo Chávez: Oil, politics, and the challenge to the US*. St. Martin's Griffin, 2015.

²⁷⁵Di Ruzza, Marco. *L'America Latina sulla scena globale: nuovi lineamenti geopolitici di un continente in crescita*, Rubbettino Editore, 2011; Lambert, Peter. "Dancing Between the Superpowers: Ideology, Pragmatism, and Drifts in Paraguayan Foreign Policy" in Gardini, Gianluca, and Peter Lambert, eds. *Latin American foreign policies: between ideology and pragmatism*. Springer, 2016; Revelez, Lincoln Bizzozero. "Kirchner-Chávez: un nouveau dessin des relations sur la carte sud-américaine." *Outre-Terre* 1 (2008): 375-380. and Malamud, Andrés. "Argentine Foreign Policy under the Kirchners" in Gardini, Gianluca, and Peter Lambert, eds. *Latin American foreign policies: between ideology and pragmatism*. Springer, 2016.

²⁷⁶Carranza, Mario E. "MERCOSUR: The global, economic crisis and the new architecture of regionalism in the Americas." *FLACSO/LATN WorkingPaper* 125 (2010).

²⁷⁷Dello Buono, Richard A. "El rediseño de América Latina: ALCA, MERCOSUR y ALBA." *Book Reviews / Critical Sociology* 33 (2007) pp.761–780

²⁷⁸Pronko, Marcela. "Interview: Claudio Katz", *Trabalho, Educação e Saúde*, vol.8 no.2 Rio de Janeiro jul./oct. (2010)

implement a new model development.²⁷⁹ Moreover, the strategic inclusion of Venezuela in Mercosur can be seen as a way to secure its challenging behaviour and maintain the Brazilian historical regional leadership in LA, as it will be largely analysed in the following chapter.²⁸⁰ The model of regional development was partially inspired by the Bolivarian Alternative promoted by Hugo Chavez and backed by Social Mercosur's provisions analysed in the previous chapters.²⁸¹ However, the revolutionary regional initiatives presented by the Venezuelan pivotal leadership could represent a threat to the historical hegemony of Brazil in the region, as the last chapter will further discuss.²⁸²

Nevertheless, three fundamental initiatives led by Venezuelan leadership confirmed the shift operated in Mercosur towards a more social agenda. These three initiatives, namely PetroSur, Tele Sur and Banco del Sur, were based on the same developmental and social grounds that characterized Chavez' strategy. They both provided a South American alternative to the US-led international projects and organizations to respectively oppose or complement: OPEC, international press agencies such as the BBC or the CNN, and the World Bank.

First, Petrosur entailed the participation of the petroleum public or semi-public agencies of Brazil, Argentina, Uruguay and Venezuela, respectively: Petr leosBrasileiros (Petrobras), Energ a Argentina S.A. (Enarsa); Administraci n Nacional de Combustibles, Alcohol y Portland (ANCAP) y Petr leos de Venezuela S.A. (PdvsA).²⁸³ This collaboration platform has the aims to ensure the availability of energy for the participating members and safeguard the bloc's energetic independence.²⁸⁴ The next initiative was Tele Sur, a project launched in 2005 by Venezuela, Cuba, Argentina, Brazil and Uruguay with the slogan "*Nuestro Notre es el Sur*" to oppose the western hegemony over the sources of information.²⁸⁵

Even more important than Petrosur is the approval of *Banco del Sur*: a development bank envisaged in 2007 to make Latin America more independent from a financial, state debt and development issues point of view and contrast the hegemony of the "Washington

²⁷⁹ Carranza, Mario E. "MERCOSUR: The global, economic crisis and the new architecture of regionalism in the Americas." *FLACSO/LATN Working Paper* 125 (2010).

²⁸⁰ Burges, Sean W. "Brazil as regional leader: meeting the Ch vez challenge." *Current History* 109, no. 724 (2010): 53.

²⁸¹ Carranza, Mario E. "MERCOSUR: The global, economic crisis and the new architecture of regionalism in the Americas." *FLACSO/LATN Working Paper* 125 (2010).

²⁸² Burges, Sean W. "Brazil as regional leader: meeting the Ch vez challenge." *Current History* 109, no. 724 (2010): 53.

²⁸³ http://www.pdvsA.com/index.php?tpl=interface.sp/design/readmenuprinc.tpl.html&newsid_temas=47

²⁸⁴ Pearson, Tamara. "Venezuela's Full Membership of Mercosur Converts the Bloc into "Fifth World Power" ", *Venezuelanalysis.com*, 1st Aug, 2012, (2012) Available at: <http://venezuelanalysis.com/news/7142>

²⁸⁵ Di Ruzza, Marco. *L'America Latina sulla scena globale: nuovi lineamenti geopolitici di un continente in crescita*, Rubbettino Editore, 2011

Consensus”.²⁸⁶ The bank has a fund of twenty billion dollars available to sponsor loans to develop integration among the member states.²⁸⁷ As the Ecuadorian chancellor, Ricardo Patiño, commented to Tele SUR in 2015 on the establishment of *Banco del Sur*: “the idea is that credits encourage integration, for example, through the connectivity between countries, establishing joint ventures and promoting social and economic development of the region”^x.
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In conclusion, Venezuela’s membership of Mercosur was driven by economic and ideological reasons that deepened political relations between the organization’s members and Caracas. The two leading countries of the bloc, Argentina and Brazil, enthusiastically supported the Venezuelan entrance in the *Mercado Comun de Sur*, while; Uruguay and Paraguay saw a new equilibrium in the organization with Venezuela’s membership.

²⁸⁶The Economist. “Hugo Chávez moves into banking - Venezuela and Brazil battle quietly over the shape of a planned regional development bank”, 10th May 2007, (2007) Available at:
<http://www.economist.com/node/9149736>

²⁸⁷TeleSur Tv. “Banco del Sur abre este año con sede en Venezuela”, 27th Mar. 2015, available at:
<http://www.telesurtv.net/news/Banco-del-Sur-abre-este-ano-con-sede-en-Venezuela-20150327-0323.html>

²⁸⁸ibidem

2. Bolivia joins Mercosur

An “anti-imperialism, anti-colonialism and anti-capitalist”²⁸⁹ ideology characterizes Evo Morales’ government, which represents a consistent change in Bolivian domestic and foreign policy.²⁹⁰ President Morales privileged relationships with Latin American countries, in particular Venezuela, Cuba, Chile and Brazil, and frozen the interactions with the US, seeing in it a natural and dangerous foe of the Bolivian identity.²⁹¹ Therefore, the Bolivian leader focused its foreign policy on strengthening ties with political and ideological allies, namely Venezuela and Cuba, and on deepening cooperation with strategic economic partners, such as Chile, Brazil and Argentina.²⁹²

2.1 Bolivia in Latin American and the departure from US

Bolivia had actively participated in Latin American regional projects, even before applying for full Mercosur membership. The following section analyses Bolivian participation and involvement in Latin America’s regional agreements, underlining the most important twists and highlights of the transition of the country from neoliberal orientation to its commitment to the Bolivian revolution after the presidential appointment of Evo Morales. Before Morales’ election Bolivian foreign policy was characterized by strong relations with the United States and some attempts of cooperation on gas pipelines with border nations.²⁹³ The two presidents Sanchez de Lozada (in office from 1993 to 1997 and from 2002 to 2003) and Carlos Mesa (2003-2007) developed close relations with the US and sought to reach an agreement on gas pipelines with Chile and Mexico during their terms.²⁹⁴ The Bolivian people fiercely opposed both strategies, sceptical that any advantages were to be gained.²⁹⁵

²⁸⁹Birns, Larry and Sanchez, Alex. “From Obscurity to Center Stage: the Architectonics of Bolivia’s Foreign Policy” in Gardini, Gianluca, and Peter Lambert, eds. *Latin American foreign policies: between ideology and pragmatism*. Springer, 2016.

²⁹⁰*ibidem*

²⁹¹Rolland, Denis, and Joëlle Chassin. *Pour comprendre la Bolivie d'Evo Morales*. Editions L'Harmattan, 2007.

²⁹²*idem*

²⁹³Birns, Larry and Sanchez, Alex. “From Obscurity to Center Stage: the Architectonics of Bolivia’s Foreign Policy” in Gardini, Gianluca, and Peter Lambert, eds. *Latin American foreign policies: between ideology and pragmatism*. Springer, 2016.

²⁹⁴*ibidem*

²⁹⁵*ibidem*

From its foundation La Paz participated in the Andean Pact, now known as the Andean Community (CAN).²⁹⁶ This organization was founded in 1969 with the Cartagena Agreement and it currently consists of four states: Bolivia, Colombia, Ecuador and Peru.²⁹⁷ Chile was part of its original composition but then withdrew in 1976, while Venezuela joined CAN in 1973 and then abandoned it in 2006. The main objective of the pact entailed economic cooperation; spread of balanced growth and development, and finally the creation of a common market among its members.²⁹⁸ However, thanks to the Quito Agreement (1987) the organization changed its setting towards more adaptable and market-oriented scopes than would be lately envisaged as "Open Regionalism".²⁹⁹ Since 1996 the organization changed its name to Andean Community through the Trujillo Protocol, which marked the official start of the implementation of neoliberal policies in the region.³⁰⁰

However, the organization started suffering from internal dissent based on the feasibility of the neoliberal approach for the Community challenged after the election of Hugo Chavez in Venezuela, and then to the appointment of Evo Morales as Bolivian president.³⁰¹ The apex of this division was reached in 2006 when Peru and Colombia pushed for a free trade agreement with the US and Venezuela withdrew from the organization.³⁰² In the same year Morales decided to join the Venezuelan-led regional project ALBA: Bolivia had the highest gains in taking part in the initiative due to its development-oriented nature.³⁰³

In December 2004, the South American countries gathered in Cuzco to approve the Community of South American Nations' founding declaration: this project, led by Brazil, was based on the idea of creating a multi-dimension regional forum, inspired by the European Union, which included all the nations of the areas to overlook the US and Mexican influence.³⁰⁴ The organization changed its name to UNASUR (Union of South American Nations) and broadened its scope in 2008 with the Brasilia agreement.³⁰⁵ The Union saw the reunion of twelve countries belonging to the three different blocs (Mercosur, CAN and

²⁹⁶MejidoCostoya, Manuel. "Politics of Trade in Post-neoliberal Latin America: The Case of Bolivia." *Bulletin of Latin American Research* 30, no. 1 (2011): 80-95.

²⁹⁷Schroder, Humberto Zúñiga. "Scope of the 'Liberalization Program in the Andean Community.'" *Global Journal of Comparative Law* 2, no. 2 (2013): 194-214.

²⁹⁸*ibidem*

²⁹⁹MejidoCostoya, Manuel. "Politics of Trade in Post-neoliberal Latin America: The Case of Bolivia." *Bulletin of Latin American Research* 30, no. 1 (2011): 80-95.

³⁰⁰*ibidem*

³⁰¹*ibidem*

³⁰²*ibidem*

³⁰³*ibidem*

³⁰⁴Di Ruzza, Marco. *L'America Latina sulla scena globale: nuovi lineamenti geopolitici di un continente in crescita*, Rubbettino Editore, 2011

³⁰⁵"unasur." UNASUR / TodosSomos UNASUR. Accessed August 14, 2016. <http://www.unasursg.org/>.

ALBA) with the aim of developing commons strategies on several areas of cooperation, such as security, industrialization, physical integration, communication and energy.³⁰⁶ The ideological framework established by UNASUR perfectly matched the Bolivian vision: it refused the classic neoliberal arrangement based only on trade liberalisation, on the contrary, it embraced South American multilateralism and independence and it promoted the idea of a shared socio-historical path that shaped the common identity of the region.³⁰⁷ Moreover, the Union of South American Nations firmly and unconditionally supported Morales against the separatist forces and stressed the indivisibility of the Bolivian nation during the 2008 crisis of Pando^{xi}.³⁰⁸

However, the gradual departure from US interference was a common denominator for a lot of Latin American countries and it corresponded to the strengthening of political and economic relations that resulted from the amplification regional agreements.³⁰⁹ Bolivia experienced the same path as the other South American nations and the ideological orientation of president Morales intensified the mentioned phenomenon.³¹⁰ The intense ideological divergence with president Bush urged Bolivia to abandon the Andean Trade Promotion and Drug Eradication (ATPDEA) and Andean Trade Preference Act (ATPA).³¹¹ The Bolivian president openly accused the agent of the US Drug Enforcement Agency (DEA) of collaborating with the separatist provinces of the “Half-moon” and lately dismissed the US operations.³¹²

The presidential election of Evo Morales not only confirmed the sceptical orientation towards the US but also renewed Bolivian commitment to South American countries.³¹³ In his foreign policy, the Bolivian president focused on both multilateral and bilateral relations with South America’s political allies and strategic partners.³¹⁴ In particular, it is worth mentioning the

³⁰⁶Di Ruzza, Marco. *L'America Latina sulla scena globale: nuovi lineamenti geopolitici di un continente in crescita*, Rubbettino Editore, 2011

³⁰⁷MejidoCostoya, Manuel. "Politics of Trade in Post -neoliberal Latin America: The Case of Bolivia." *Bulletin of Latin American Research* 30, no. 1 (2011): 80-95.

³⁰⁸Di Ruzza, Marco. *L'America Latina sulla scena globale: nuovi lineamenti geopolitici di un continente in crescita*, Rubbettino Editore, 2011

³⁰⁹ibidem

³¹⁰Birns,Larry and Sanchez, Alex. “From Obscurity to Center Stage: the Architectonics of Bolivia’s Foreign Policy” in Gardini, Gianluca, and Peter Lambert, eds. *Latin American foreign policies: between ideology and pragmatism*. Springer, 2016.

³¹¹ibidem

³¹²MejidoCostoya, Manuel. "Politics of Trade in Post -neoliberal Latin America: The Case of Bolivia." *Bulletin of Latin American Research* 30, no. 1 (2011): 80-95.

³¹³Rolland, Denis, and JoëlleChassin. *Pour comprendre la Bolivie d'Evo Morales*. Editions L'Harmattan, 2007.

³¹⁴ibidem

historical reconciliation with Chilean president Michelle Bachelet and Morales continuous attempt to reach an agreement on a Bolivian corridor to the sea in the Chilean territory.³¹⁵

In conclusion, the historical and contemporary involvement of Bolivia to Latin America regional integration has positively contributed to deepening the country's relationship with the region. Furthermore, the political ideology of president Morales twisted Bolivian aims in this context. In particular, Bolivian foreign policy was transformed to shift from the predominance of US relations to the commitment to an alternative form of regionalism. The Bolivian president was more affiliated with its countries' border nations due to a shared political vision on regional integration as the following section will show.

2.2 Evo Morales and Hugo Chavez: the "axis of good"

As mentioned before, the election of Evo Morales as president led to a consistent change in Bolivian foreign policy's objectives and strategies.³¹⁶ In particular, Morales promoted closer relations with Venezuela, due to the political affinity with its president and to the common strategic orientation of the two countries policies.³¹⁷ Acknowledging the historical and cultural affinity between Bolivia and Venezuela, as well as their renewed proximity, Hugo Chavez described the alliance with Morales and Fidel Castro, as "the axis of good"^{xii}.³¹⁸ This term could be seen in opposition to the "axis of evil" (which comprehended the most dangerous US enemies of that time: Iraq, Iran and North Korea) presented by US president George W. Bush in his 2002 State of the Union, in this case Hugo Chavez highlighted both the opposition to the US hegemony and pointed out his opposition to US interpretation of the World Politics.

The creation of the Bolivarian Alliance for the Peoples of Our America (ALBA), in total opposition to the *Área de Libre Comercio de las Américas* or ALCA (the Spanish translation of the FTAA), marked the strategic and political union of Hugo Chavez and Fidel Castro to oppose the Washington consensus driven projects and actions, to which Evo Morales

³¹⁵Birns, Larry and Sanchez, Alex. "From Obscurity to Center Stage: the Architectonics of Bolivia's Foreign Policy" in Gardini, Gianluca, and Peter Lambert, eds. *Latin American foreign policies: between ideology and pragmatism*. Springer, 2016.

³¹⁶Birns, Larry and Sanchez, Alex. "From Obscurity to Center Stage: the Architectonics of Bolivia's Foreign Policy" in Gardini, Gianluca, and Peter Lambert, eds. *Latin American foreign policies: between ideology and pragmatism*. Springer, 2016.

³¹⁷Rolland, Denis, and Joëlle Chassin. *Pour comprendre la Bolivie d'Evo Morales*. Editions L'Harmattan, 2007.

³¹⁸*ibidem*

subscribed as soon he came into power.³¹⁹ The Bolivian decision to join the Venezuelan-led regional projects was backed not only by ideological and political reasons but, most importantly, Morales found in the agreement a fundamental way to secure the agricultural production of Bolivia.³²⁰

Besides the Bolivian inclusion in ALBA, the unconditional reciprocal support of Hugo Chavez to Morales' decisions and policies was seen in many other occasions and situations. In particular three cases can be underlined in this contest: the opposition to any trade agreement between CAN and the US, the Bolivian natural gas nationalization and Bolivian coca production. First, the two leaders opposed and blamed the Peruvian and Colombian tentatives to set a trade agreement between CAN and the US during the summit of Organization of American States (OAS).³²¹ The strong opposition of the leader resulted in the later failure of the Free Trade Agreement of America and in the Venezuelan withdrawal from CAN.³²² Second, Venezuelan leader openly supported the Bolivian natural gas nationalization of 2006 to maintain the energetic supply from La Paz.³²³ Even if it caused dangerous opposition from the Brazilian leadership, which was against the nationalization, the Venezuelan president stood up to defend the nationalization plan of his Bolivian counterpart.³²⁴ Finally, Evo Morales' battle for the revaluation of the traditional use of coca's leaves was entirely backed by the Venezuelan president.³²⁵ In this framework, after the expulsion of DEA agents and the Washington ambassador from the Bolivian territory, Hugo Chavez expelled the US ambassador in Caracas to show his total solidarity to Morales.³²⁶ The close relationship between Morales and Chavez demonstrated their commitment to the same political scopes and aims on Latin American regional integration. It is not a pure coincidence that Morales applied for Mercosur full membership few months after Venezuelan full adhesion to the bloc. The two leaders joined Mercosur for economic and ideological reasons that are strongly linked to their political affiliation.

³¹⁹Di Ruzza, Marco. *L'America Latina sulla scena globale: nuovi lineamenti geopolitici di un continente in crescita*, Rubbettino Editore, 2011

³²⁰MejidoCostoya, Manuel. "Politics of Trade in Post - neoliberal Latin America: The Case of Bolivia." *Bulletin of Latin American Research* 30, no. 1 (2011): 80-95

³²¹Rolland, Denis, and JoëlleChassin. *Pour comprendre la Bolivie d'Evo Morales*. Editions L'Harmattan, 2007.

³²²Castillo, Alberto Martínez. "De la Comunidad Andina de Naciones al MercadoComún del Sur: nuevaestrategia de integración de Venezuela." *Colombia Internacional* 83 (2015): 203-233.

³²³Carroll, Rory. "Chávez paid for Bolivia gas nationalisation", *theguardian.com*, 23rd Mar. 2007, (2007) available at: <https://www.theguardian.com/world/2007/mar/23/venezuela.bolivia>

³²⁴Manduca, Paulo César. "La energía en la política sudamericana: características de lasrelacionesentreBrasil y Venezuela." *Revistamexicana de cienciaspolíticas y sociales* 57, no. 216 (2012): 81-100.

³²⁵Rolland, Denis, and JoëlleChassin. *Pour comprendre la Bolivie d'Evo Morales*. Editions L'Harmattan, 2007.

³²⁶Barral, Felipe; Bohn, Kevin. "Morales: Government will take over for DEA in Bolivia", *cnn.com*, 1st Nov 2008, (2008) Available at: <http://edition.cnn.com/2008/WORLD/americas/11/01/bolivia.dea/>

2.3 Bolivian trade with Mercosur: from associate member to full member

The history of trade relationship between Bolivia and Mercosur's nations finds its grassroots even before the election of Morales. As a matter of fact, the inclusion of Bolivia in CAN has fostered the relationship between La Paz and Mercosur thanks to trade relations established between the two blocks: as a result Bolivia signed a trade agreement (Acuerdo de Complementación Económica No 36 or ACE 36) with Mercosur in 1996.³²⁷ This agreement provided the instruments for the realization of a free trade area before 2014.³²⁸ Furthermore, being part of the Latin American Integration Association (LAIA) Bolivia was able to become associate member of Mercosur in 1997 together with Chile, which has continued to be just an associate to the group to the present day.³²⁹ Being part of Mercosur as an associate member reflected the decision of Bolivia to take part in the new trend of trade liberalisation started in Latin America as well as the economic affinity and geographical proximity with the organization members.³³⁰ Moreover, the elevated percentage of trade exchange with Mercosur countries, which counted for 33,3% of Bolivian exports in 1990, would have contributed to increasing the trade impetus generated by the associated membership.³³¹

Moreover, Argentina and Brazil, the biggest Mercosur members, represent the two most important trade partners of Bolivia.³³² In particular, Argentina-Bolivian trade has consistently increased from 2005 to 2013 and Bolivian trade deficit with Buenos Aires has reduced since 2005, as a study of the *Instituto Boliviano de Comercio Exterior* (IBCE) showed in 2015.³³³ Besides, Bolivian exports to Brazil and Brazilian imports to Bolivia have augmented from 2010 to 2013, positively contributing to the Bolivian trade balance.³³⁴ Additionally, Brazilian and Argentinian trade with Bolivia is mainly based on natural gas: in 2015 60% of Bolivian

³²⁷Ramal, Pablo. "El acuerdo Bolivia-MERCOSUR: una evaluación de los resultados para Bolivia." *Revista del CEI. Comercio Exterior e Integración* 9 (2007): 51-77.

³²⁸ *ibidem*

³²⁹Malamud, Andrés. "Mercosur turns 15: Between rising rhetoric and declining achievement." *Cambridge Review of International Affairs* 18, no. 3 (2005): 421-436.

³³⁰Oxford. "BOLIVIA: Mercosur Membership", *Oxford Analytica Daily Brief Service*, Report, 1996

³³¹ *ibidem*

³³²Mejido Costoya, Manuel. "Politics of Trade in Post-neoliberal Latin America: The Case of Bolivia." *Bulletin of Latin American Research* 30, no. 1 (2011): 80-95

³³³Instituto Boliviano de Comercio Exterior. "Bolivia: Intercambio Comercial con Argentina, Boletín Electrónico Bisemanal No 457 – Bolivia", 26th Oct. 2015, (2015) Download: http://ibce.org.bo/images/ibcecifras_documentos/CIFRAS-457-Bolivia-Intercambio-Comercial-Argentina.pdf

³³⁴Instituto Boliviano de Comercio Exterior. "Bolivia: Intercambio Comercial con Brasil, Boletín Electrónico Bisemanal No 389 – Bolivia", 19 Feb. 2015, (2015) Download: http://ibce.org.bo/images/ibcecifras_documentos/CIFRAS-389-Intercambio-Comercial-Brasil.pdf

natural gas was exported to Brasilia and Buenos Aires, and the remaining production was sent to Peru, Paraguay and Uruguay.³³⁵

Brazil-Bolivia relations have focused on the following main areas: trade, border security, fight against transnational crime and energy.³³⁶ For these reasons, the Bolivian gas plants nationalization, fully implemented in May 2006, seriously threatened the relationships with Brazil.³³⁷ Even if the revenues from gas industry nationalisation increased the level of growth of Bolivian GDP and permitted Morales to implement fundamental social and developmental policies, they seriously threatened the relationship with Brazil.³³⁸ Brasilia's answer was firm when in 2007 the two countries concluded an agreement that secured Brazil's gas import at a favourable price for Bolivia.³³⁹ Since then, the two countries have pragmatically grounded their collaboration on the economic interest of Bolivia and on the Brazilian need for natural gas.³⁴⁰

After becoming associated member under the Treaty of Asuncion, Bolivia and Mercosur countries signed a partial free trade agreement in 2011, to which followed its application to obtain Mercosur full membership.³⁴¹ On November of the same year, the high representative of Mercosur sent the official invitation to the Bolivian government to join the organization, and he commented on this special occasion affirming that "[Bolivia] is the most suitable country to pursue regional integration" ^{xiii}.³⁴² Bolivian Foreign Minister, David Choquehuanca, took the initiative and scheduled the presentation of the official application for the following Mercosur summit.³⁴³

The process of integration started in December 2012, a few months after the official inclusion of Venezuela in the bloc, when Evo Morales presented the Bolivian application during the

³³⁵ Instituto Boliviano de Comercio Exterior. "Brasil y Argentina comprarán el 60,3% del GLP boliviano, data trade", 2nd July 2015, (2015), Available at: <http://ibce.org.bo/principales-noticias-bolivia/noticias-nacionales-detalle.php?id=55359&idPeriodico=34&fecha=2015-07-02>

³³⁶ <http://www.itamaraty.gov.br/en/ficha-pais/5978-plurinational-state-of-bolivia>

³³⁷ Birns, Larry and Sanchez, Alex. "From Obscurity to Center Stage: the Architectonics of Bolivia's Foreign Policy" in Gardini, Gianluca, and Peter Lambert, eds. *Latin American foreign policies: between ideology and pragmatism*. Springer, 2016.

³³⁸ Ceppi, Natalia. "Energy on the public agenda: changes in Bolivia with impact on adjoining countries." Ana Paula Brandão-The Internal-External nexus in the security narrative of the European Union-pp 1-19
Antônio Horta Fernandes-The Two World Wars as Evidence of the Absence of International Anarchy-pp 20-29
68, no. 1 (2015): 100-115.

³³⁹ Birns, Larry and Sanchez, Alex. "From Obscurity to Center Stage: the Architectonics of Bolivia's Foreign Policy" in Gardini, Gianluca, and Peter Lambert, eds. *Latin American foreign policies: between ideology and pragmatism*. Springer, 2016.

³⁴⁰ *ibidem*

³⁴¹ EIU ViewsWire. "Bolivia politics: Full Mercosur membership inches closer", The Economist Intelligence Unit N.A., Incorporated, 23rd Jul. 2015, (2015)

³⁴² Télam. "Invitan formalmente a Bolivia a ser miembro pleno del Mercosur", Télam.com, 21st Nov 2012, (2012) Available at: <http://www.telam.com.ar/nota/44660/>

³⁴³ *ibidem*

Mercosur meeting held in Brasilia.³⁴⁴ Mercosur leaders enthusiastically welcomed the Bolivian application, in particular Brazilian president Dilma Rousseff commented: “Evo, you are most welcome” during the summit.³⁴⁵ Unfortunately, the Bolivian application was delayed due to the suspension of the state of Paraguay.³⁴⁶ Moreover, the double membership of Bolivia raised some reasonable concerns.³⁴⁷ However, Roberto Conte, Uruguayan vice president, affirmed on this point: “Bolivia does not have to pay prices or lose achievements that it has obtained in international trade negotiations to enter in Mercosur. It will receive the full support of Uruguay in the negotiation process of admission”^{xiv}.³⁴⁸ In January 2013 an ad hoc commission elaborated the protocol of admission and from that moment the process of ratification started.

The ratification process consisted in the approval of the adhesion of Bolivia from each state of the bloc. This stage is considered extremely important since it has previously slowed the inclusion of Venezuela, which waited for 6 years before officially gaining the full membership. The first approval arrived from Caracas: Venezuelan Parliament voted and agreed on the Bolivian adhesion to Mercosur on June 17th 2013.³⁴⁹ Argentinian Senate actively approved the protocol of accession in November 2013, several months after the redaction of the admission protocol.³⁵⁰ The Uruguayan Parliament followed Argentina who endorsed the Bolivian membership in May 2014.³⁵¹ The Paraguayan opposition, showed

³⁴⁴International Centre for Trade and Sustainable Development “Bolivia Advances in Efforts to Become Full Member of Mercosur”, Bridges, Volume 16 - Number 43, 12nd Dec. 2012, (2012) Available at: <http://www.ictsd.org/bridges-news/bridges/news/bolivia-advances-in-efforts-to-become-full-member-of-mercotur>

³⁴⁵ibidem

³⁴⁶EIU ViewsWire. “Bolivia politics: Full Mercosur membership inches closer”, The Economist Intelligence Unit N.A., Incorporated, 23rd Jul. 2015, (2015)

³⁴⁷International Centre for Trade and Sustainable Development “Bolivia Advances in Efforts to Become Full Member of Mercosur”, Bridges, Volume 16 - Number 43, 12nd Dec. 2012, (2012) Available at: <http://www.ictsd.org/bridges-news/bridges/news/bolivia-advances-in-efforts-to-become-full-member-of-mercotur>

³⁴⁸Mistero del Poder Popular para Relaciones Exteriores. “Mercosur invita a Bolivia a ingresar como miembro pleno”, n.d., Available at: http://argentina.embajada.gob.ve/index.php?option=com_content&view=article&id=1827%3Amercotur-invita-a-bolivia-a-ingresar-como-miembro-pleno&catid=3%3Anoticias-de-venezuela-en-argentina&Itemid=23&lang=en

³⁴⁹Abc Color. “Venezuela aprueba ingreso de Bolivia al Mercosur”, abc.com, 17th Jun. 2013, (2013) Available at: http://www.abc.com.py/internacionales/venezuela-aprueba-ingreso-de-bolivia-al-mercotur-596530.html?fb_comment_id=139951419545764_121208#f104bc756d5bbac

³⁵⁰Parlasur, Adhesión de Bolivia al MERCOSUR es aprobada en Uruguay, Parlamentomercotur.org, n.d., available at: https://www.parlamentomercotur.org/innovaportal/v/8430/1/parlasur/adhesion_de_bolivia_al_mercotur_es_aprobada_en_uruguay.html

³⁵¹Parlasur. “Adhesión de Bolivia al MERCOSUR es aprobada en Uruguay”, Parlamentomercotur.org, n.d., Available at: https://www.parlamentomercotur.org/innovaportal/v/8430/1/parlasur/adhesion_de_bolivia_al_mercotur_es_aprobada_en_uruguay.html

during its suspension from the Treaty of Asuncion due to the democratic instability of the country, threatened the full inclusion of Bolivia in the bloc.³⁵² Nevertheless, in June 2016 the Paraguayan Parliament approved the protocol for the inclusion of Venezuela, after having officially re-joined the organization.³⁵³ The Brazilian endorsement of Bolivian accession has not been discussed yet.

The Mercosur full membership will give important advantages to Bolivia and to the organization's members due to the fact that Bolivian exports in the bloc count for 55,1% of the total exports.³⁵⁴ Then, Bolivia will be able to finance developmental projects, in the areas of disparities reduction, social cohesion and market competition thanks to the FOCEM fund.³⁵⁵ Moreover, Bolivia and Mercosur members will benefit from the reciprocal trade liberalisation, especially in the area of natural gas and energy.³⁵⁶ However, Bolivia has a maximum of four years, starting from 2015, to integrate Mercosur normative *acquis*, as well as the Common External Tariff (CET) and other common standards set by the organization.³⁵⁷

³⁵²International Centre for Trade and Sustainable Development "Bolivia Advances in Efforts to Become Full Member of Mercosur", Bridges, Volume 16 - Number 43, 12nd Dec. 2012, (2012) Available at: <http://www.ictsd.org/bridges-news/bridges/news/bolivia-advances-in-efforts-to-become-full-member-of-mercursosur>

³⁵³La Razon. "Paraguay firma el protocolo de adhesión de Bolivia al Mercosur", 27th Jun 2016, (2016) Available at: http://www.la-razon.com/nacional/Paraguay-protocolo-adhesion-Bolivia-Mercosur_0_2516748382.html

³⁵⁴TeleSur Tv. "En claves: Lo que significa la adhesión de Bolivia al Mercosur", telesur.net, 17th Jul. 2015, (2015) Available at: <http://www.telesurtv.net/news/En-claves-Lo-que-significa-la-adhesion-de-Bolivia-al-Mercosur-20150717-0051.html>

³⁵⁵TeleSur Tv. "En claves: Lo que significa la adhesión de Bolivia al Mercosur", telesur.net, 17th Jul. 2015, (2015) Available at: <http://www.telesurtv.net/news/En-claves-Lo-que-significa-la-adhesion-de-Bolivia-al-Mercosur-20150717-0051.html>

³⁵⁶ ibidem

³⁵⁷Parlasur. "Bolivia: Avanza el proceso de adhesión al MERCOSUR", Revista Parlasur, Edición n.3 , February 2016, (2016) available at: <https://www.parlamentomercosur.org/innovaportal/file/11158/1/revista-febrero.pdf>

3. Final remarks

As was shown in this chapter, the reasons behind the adhesion of Venezuela and Bolivia to Mercosur were mainly based on economic, strategic and ideological factors. In particular, the biggest countries of the bloc, Argentina and Brazil, favoured the inclusion of Venezuela into Mercosur to insure trade ties and oil supply.³⁵⁸ Moreover, their ideological orientation further strengthened strategic connections with their Venezuelan counterpart and consequently supported Hugo Chavez demand to join the organization.³⁵⁹

On the other hand, Evo Morales' presidency marked an important change in Bolivian foreign policy, as he privileged relations with the South American countries and refused to collaborate with the US.³⁶⁰ His political affinity with Hugo Chavez and his strategic use of the Bolivian huge natural gas resources further pushed the inclusion of La Paz in Mercosur.³⁶¹

In conclusion, the two countries experienced similar reasons and strategies in order to become full members of Mercosur. Nonetheless, their ratification processes were differently led by the bloc's members: even if Bolivian inclusion is still waiting for the Brazilian confirmation, the Venezuelan path to Mercosur was far more troubled due to the fierce opposition of both Paraguayan and Brazilian parliaments. The third chapter will be completely devoted to investigating the reasons behind this remarkable difference. In particular it will take into consideration the different political orientation of Lula's Brazil and Chavez's Venezuela, pointing out the visible challenge posed by Caracas to the historical leadership of Brazil.³⁶²

³⁵⁸Kozloff, Nikolas. *Hugo Chávez: Oil, politics, and the challenge to the US*. St. Martin's Griffin, 2015.

³⁵⁹Riggirozzi, Pia: "Reconstructing Regionalism: What does Development have to do with It?" in Riggirozzi, Pía, and Diana Tussie, eds. *The rise of post-hegemonic regionalism: The case of Latin America*. Vol. 4. Springer Science & Business Media, 2012.

³⁶⁰Rolland, Denis, and Chassin, Joëlle. *Pour comprendre la Bolivie d'Evo Morales*. Editions L'Harmattan, 2007.

³⁶¹*ibidem*

³⁶²Burges, Sean W. "Brazil as regional leader: meeting the Chávez challenge." *Current History* 109, no. 724 (2010): 53.

Chapter three

Venezuela troubled path to Mercosur

*“Lo Politico Supera Ampliamente a lo Juridico”*³⁶³

José Mujica (2014)

As has been showed in the previous chapter Venezuela and Bolivia experienced a different path towards their inclusion as full members of Mercosur. The reasons behind this difference will be deeply analysed in this chapter, underlining the main factors of the tensions between Hugo Chavez and Mercosur leaders.

In particular, the first part of the following chapter is dedicated to the analysis of the main divergences between Chavism and South American moderate leftists. The two models present some common goals but also several contrasting strategies and aims that could affect the entrance of Venezuela. In the second section of this chapter, there is a full presentation of the negative reactions to Venezuelan application. More precisely the Paraguayan parliament and Brazilian senate's replies to the ratification protocol of Venezuelan membership are exposed. The third and last sub section is dedicated to the analysis of the process of politicization and polarization of Mercosur and it includes some reflections on the latest political and regional development in the region. In particular, the last part of this section will be dedicated to the analysis of the consequences of the inclusion of Venezuela in the bloc and to the contemporary political crisis experienced by the leftist governments who supported the initiative.

³⁶³Gouvea, Raul, and Manuel Montoya. "Mercosur After Chavez." *Thunderbird International Business Review* 56, no. 6 (2014): 563-575.

1. Analysing the two different paths: Venezuela and Bolivia in Mercosur

Before going on with the analysis of the afore-mentioned issues, it is important to provide a small summary of the two ratification processes of the Venezuelan and Bolivian membership application to Mercosur.

After having withdrawn from CAN in 2005, Venezuela applied for full membership in Mercosur during the 4th July 2006 Mercosur Presidential Summit held in Cordoba (Argentina).³⁶⁴ As already mentioned in the second chapter, the Cordoba Summit marks an important step for Mercosur integration, not only because of the Venezuelan application, but also for the emphasis put on the social agenda of the bloc.³⁶⁵ After the official presentation of the application, the members of the organization adopt the decision through their internal ratification process, since the approval of the application needs the unanimity of the member states to become effective, as the Treaty of Asuncion states in article 20.³⁶⁶ However, there was no reason for the Venezuelan leader to worry about fierce opposition. As a matter of fact, both Nestor and Cristina Kirchner developed a strong political and economic relationship with Caracas based principally on financial support of the country's deficit, political affiliation and energy trade.³⁶⁷ Then, Uruguayan president Mujica strongly supported the inclusion of Venezuela in the bloc due to the economic relevance of Venezuelan trade with his country.³⁶⁸ President Lula first, and Dilma Rousseff after, openly sponsored the Venezuelan candidacy.³⁶⁹ The strategic importance of having Venezuela in the bloc pushed Paraguayan president Fernando Lugo to sustain Caracas' application.³⁷⁰ Nonetheless, the Paraguayan parliament and the dissent in the Brazilian Senate came as a bolt from the blue.

³⁶⁴Bernal-Meza, Raúl. "Argentina Y Brasil En La Política Internacional: Regionalismo Y Mercosur (estrategias, Cooperación Y Factores De Tensión)." *Revista Brasileira De Política Internacional*, Rev. Bras. Polit. Int. 51, no. 2 (2008): 154-78. doi:10.1590/s0034-73292008000200010.

³⁶⁵Carranza, Mario E. "MERCOSUR: The global, economic crisis and the new architecture of regionalism in the Americas." *FLACSO/LATN Working Paper* 125 (2010).

³⁶⁶Foreign Trade Information System. "Treaty Establishing a Common Market between the Argentine Republic, the Federal Republic of Brazil, the Republic of Paraguay and the Eastern Republic of Uruguay", Asuncion (1991), available at: http://www.sice.oas.org/trade/mrcsr/TreatyAsun_e.asp#CHAPTER_IV

³⁶⁷Politi, Daniel. "Chávez Wins, Kirchner Wins", *The New York Times*, 9th Oct. 2012, (2012) Available at: <http://latitude.blogs.nytimes.com/2012/10/09/chavez-re-election-is-a-boost-to-argentinas-kirchner/>

³⁶⁸MercoPress. "Mujica forecasts Venezuela will rapidly become Uruguay's third trade partner", 28th July 2012, (2012) Available at: <http://en.mercopress.com/2012/07/28/mujica-forecasts-venezuela-will-rapidly-become-uruguay-s-third-trade-partner>

³⁶⁹Romero, Simon. "With Brazil as Advocate, Venezuela Joins Trade Bloc", *The New York Times*, 31st Jul. 2012, (2012) Available at: <http://www.nytimes.com/2012/08/01/world/americas/mercosur-trade-bloc-admits-venezuela-as-full-member.html>

³⁷⁰Lambert, Peter. "Dancing Between the Superpowers: Ideology, Pragmatism, and Drifts in Paraguayan Foreign Policy" in Gardini, Gianluca, and Peter Lambert, eds. *Latin American foreign policies: between ideology and pragmatism*. Springer, 2016.

Before the impeachment of the Paraguayan president, the opposing party member, Senator Silvio Ovelar, declared his deep disagreement of the inclusion of Venezuela in the bloc due to the country's low democratic performances.³⁷¹ Then, the Paraguayan Parliament's opposition to the decision consistently grew and it refused to vote on the protocol of accession of Venezuela.³⁷² After the impeachment of president Fernando Lugo, voted on 25 June 2012, Mercosur countries decided to suspend Paraguay from the organization due to the critical internal situation.³⁷³ During the Mendoza summit the three remaining members voted in favour of the official accession of Venezuela as a full member of Mercosur. On the other hand, the Brazilian Senate opposed the entrance of Venezuela in the regional bloc for two kinds of reasons: the refusal from Hugo Chavez to renew the concession for Radio Caracas Televisión (RCTV) and the scarce democratic performance of the Chavist regime.³⁷⁴ However, these issues will be further explained in the second paragraph of this chapter.

Bolivian involvement in Latin American regional integration started with its participation in the foundation of CAN in 1969, and then continued with the contribution of other regional agreements oriented by the neoliberal rationale.³⁷⁵ However, the presidency of Evo Morales constituted a fundamental shift in the Bolivian foreign policy orientation: his sceptical position over the United States and his restored alignment with the leftist countries of the regions are the most important elements of Morales era.³⁷⁶ The decision to join Mercosur came after a period of convergence between Morales and the Venezuelan president Hugo Chavez. After having shared other regional experiences in ALBA and in CASA (the Community of South American Nations), Morales applied for the full membership of Mercosur.³⁷⁷ Bolivia had already been part of the organization as an associate member since

³⁷¹MercoPress. "Political deal in Paraguay to vote for Venezuela's incorporation to Mercosur", 30th Nov 2010, (2010) Available at: <http://en.mercopress.com/2010/11/30/political-deal-in-paraguay-to-vote-for-venezuela-s-incorporation-to-mercosur>

³⁷²MercoPress. "Mercosur summit to deal with Venezuela inclusion and obstacles to trade", mercopress.com, 19th Dec 2011, (2011) Available at: <http://en.mercopress.com/2011/12/19/mercosur-summit-to-deal-with-venezuela-inclusion-and-obstacles-to-trade>

³⁷³Sreeharsha, Vinod. "Brazil helps Venezuela join regional trade bloc Mercosur, but not without ruffling feathers", McClatchy Newspapers, 9th Jul. 2012, (2012) Available at: <http://www.mcclatchydc.com/news/nation-world/world/article24732577.html>

³⁷⁴Council of Hemispheric Affairs. "While Brazilian Senators Debate, Venezuela is on the Brink of Being Confirmed as Mercosur's Fifth Member", coha.org, 16th November 2009, (2009) Available at: <http://www.coha.org/venezuela-brink-of-mercosur/>

³⁷⁵MejidoCostoya, Manuel. "Politics of Trade in Post-neoliberal Latin America: The Case of Bolivia." *Bulletin of Latin American Research* 30, no. 1 (2011): 80-95.

³⁷⁶Denis Rolland, Joelle Chassin and others, *Pour comprendre le Bolivien* Evo Morales, L'Harmattan, 2007

³⁷⁷MejidoCostoya, Manuel. "Politics of Trade in Post-neoliberal Latin America: The Case of Bolivia." *Bulletin of Latin American Research* 30, no. 1 (2011): 80-95.

1997 when Morales asked for the full membership in December 2012.³⁷⁸ The approval from the Venezuelan, Argentinian and Uruguayan parliaments came before the end of 2014, while the Paraguayan government voted and agreed on the Bolivian adhesion protocol only this year. Even if the Brazilian parliament has not voted the protocol yet, the process of Bolivian adhesion in the regional bloc was smoother than Venezuela's, which lasted six years and faced a large opposition from the organization's members. The following paragraphs will investigate the reasons for this delay, evaluating: the confrontational level between Venezuelan Bolivarian projects and Brazilian leadership, the reaction of Paraguayan and Brazilian parliament to the democratic performance of Chavez's regime and finally the resulting politicization of Mercosur due to the inclusion of Venezuela in the bloc.

2. Differences between the regional strategies of Lula and Hugo Chavez

This first section is devoted to the analysis of the differences and contrast between the strategic goals and policies proposed by Brasilia and Caracas. The choice of analysing Brazilian policies and scopes is due to the fact that this country is the main leader of the South American regional experience and its president, Luiz Inácio Lula da Silva, has supported Venezuelan candidacy since the first steps of its inclusion. Nevertheless, Brazilian support to Caracas membership is not easy to understand. Therefore, the aim of this section is to show the reasons why the two countries' styles and objectives in foreign policy could be understood in opposition. In particular, the pivotal role of Chavez's Bolivarian alternative in Latin American regional integration could have opposed the historical Brazilian desire of headship in the region.³⁷⁹ This section is drawn to discuss the second interpretation of Venezuelan inclusion into Mercosur, which entails the subjugation of Venezuelan alternative regionalism inside the Treaty of Asuncion's framework.³⁸⁰ The analysis of the differences characterizing the two countries will be drawn to analyse their consequences on the process of ratification of Venezuelan full membership.

³⁷⁸Rolland, Denis, and Chassin, Joëlle. *Pour comprendre la Bolivie d'Evo Morales*. Editions L'Harmattan, 2007.

³⁷⁹Burges, Sean W. "Brazil as regional leader: meeting the Chávez challenge." *Current History* 109, no. 724 (2010): 53.

³⁸⁰Carranza, Mario E. "MERCOSUR: The global, economic crisis and the new architecture of regionalism in the Americas." *FLACSO/LATN Working Paper* 125 (2010).

2.1 The bad and the good left in Latin America

Before focusing on the opposition between Caracas and Brasilia it is worth building up a wider framework to evaluate the differences in Latin American left. In his famous article, “Latin America's Left Turn”, Jorge Castañeda analysed the rise of the Pink Tide in Latin America, pointing out the existing differences between right left and wrong left.³⁸¹ The former refers to the open-minded, market-friendly and moderate left, to whom Ricardo Lagos, Michelle Bachelet, Luiz Inácio Lula da Silva and Tabaré Vázquez belong.³⁸² On the other hand, the latter refers to the nationalist, populist and radical left represented by Hugo Chavez, Evo Morales and Néstor Kirchner (to a certain extent).³⁸³

Nevertheless, the famous dichotomy between right and wrong, radical and moderate^{xv} or even carnivores and vegetarian^{xvi}, presented by Castañeda and other authors, fails to understand the meaningful diversities and dimensions of the Pink Tide's raise.³⁸⁴ As Staven Levitsky and Kenneth Roberts have underlined, it is better to categorise the different experiences considering two following dimensions: “the level of institutionalization” (that can vary from well established to new formation) and “the locus of political authority” (that can be dispersed or concentrated).³⁸⁵ The crisscrossing of the two dimensions results in four categories: institutional partisan left, the movement left, the populist machine and the populist left.³⁸⁶ The *institutional partisan left*, which is characterized by dispersed authority and party institutionalisation, shares common elements with the European social democracy such as in the cases of Brazil, Chile and Uruguay.³⁸⁷ A new political movement that promotes non-centralised authority like the MAS in Bolivia can be defined the *movement left*.³⁸⁸ On the other side, the *populist machine*, experienced in Argentina with Kirchner's Peronism and in Nicaragua, is carried by a well-established party, which promotes centralization of authority and personalism and it can also pragmatically adapt its policies.³⁸⁹ Finally, the *populist left*, to which Chavism belongs, is led by the opponents of the traditionally established order, who decided to centralize the authority in a charismatic leader in order to promote social

³⁸¹ Castañeda, Jorge G. “Latin America's Left Turn”, Foreign Affairs, 1st May 2006, (2006) Available at : <https://www.foreignaffairs.com/print/1110398>

³⁸² *ibidem*

³⁸³ *ibidem*

³⁸⁴ Levitsky, Steven, and Kenneth M. Roberts, eds. *The Resurgence of the Latin American Left*. JHU Press, 2013.

³⁸⁵ *ivi* p. 13

³⁸⁶ *ivi* pp-13-15

³⁸⁷ *ibidem*

³⁸⁸ *ibidem*

³⁸⁹ *ibidem*

mobilization and internal transformation.³⁹⁰ The precise images portrayed by Levitsky and Roberts help to define the different experiences of Latin American Left and increase the number of characterising elements that should be taken into consideration in the analysis.

The differences in the different types of left previously described enjoyed different levels of antagonism with neoliberal orthodoxy, which could have produced some opposition over the best cooperation strategies to use in regional agreements.³⁹¹ What Castañeda has fully highlighted is the growing dichotomy caused by Hugo Chavez's foreign policy, which has divided South America in two factions: "one pro-Chávez, one pro-American"³⁹².³⁹³ Even if the categories defined by Levitsky and Roberts are based on the domestic features of the phenomenon, they can better define the domestic reasons behind the foreign policy choices to complete the framework of discussion. Therefore, the highly ideological regional policies that have characterized the Venezuelan *populist left* could have hampered the country's process of integration into Mercosur, producing low enforcement of democratic rights and promoting a too broad alternative project for regional integration.

The alternative regional projects and initiatives promoted by Venezuela, such as for example PetroCaribe, ALBA and its social power diplomacy, can be understood as a way to gain regional leadership to the detriment of Brazilian control of the region.³⁹⁴ The Venezuelan president proposed a revolutionary model of integration for the South that entailed: a clear cut with the United States, the development of independent and common structures for energy supply and financial stability (e.g. PetroAmerica, Banco del Sur,...), as well as all South American countries' participation in a common regional project inspired by Simon Bolivar's ideology.³⁹⁵ The low democratic performance of the Chavist regime raised concerns in the Brazilian Senate as well as in the Paraguayan parliament, while the alternative regional project could have contrasted Brazilian hegemonic aims. In the following sections, Hugo Chavez's ideological orientation of the Latin American regional policy will be largely discussed. Then, the Brazilian pragmatic response to the Chavism regional objective

³⁹⁰ *ibidem*

³⁹¹ *ibidem*

³⁹² Castañeda, Jorge G. "Latin America's Left Turn", *Foreign Affairs*, 1st May 2006, (2006) Available at : <https://www.foreignaffairs.com/print/1110398p.6>

³⁹³ *ivi*

³⁹⁴ Burges, Sean W. "Building a global southern coalition: the competing approaches of Brazil's Lula and Venezuela's Chávez." *Third World Quarterly* 28, no. 7 (2007): 1343-1358.
Cameron, Maxwell A. "Latin America's Left Turns: beyond good and bad." *Third World Quarterly* 30, no. 2 (2009): 331-348.

³⁹⁵ Raby, Diana. "Venezuelan Foreign Policy under Chavez 1999-2010: The Pragmatic Success of Revolutionary Ideology?" in Gardini, Gianluca, and Peter Lambert, eds. *Latin American foreign policies: between ideology and pragmatism*. Springer, 2016.

will be exposed and further commented on, to evaluate its effects on the ratification process. Finally, the Brazilian and Paraguayan concerns over the low democratic performance of Venezuela will be presented in the second paragraph.

2.2 The Bolivarian alternative for Latin America

In “Latin American Foreign Policies: Between Ideology and Pragmatism” Gardini and Lambert have collected a series of interesting articles on the propensity of Latin American foreign policies to oscillate between ideological and pragmatic choices, as the title shows.³⁹⁶ In particular, Diana Raby analyses Hugo Chavez’s foreign policy through the lenses of this dualism: Chavist’s approach to foreign policy probably represents the most ideological example of Latin America, nevertheless, it contained some elements of pragmatism.³⁹⁷ The two foreign policy’s dimensions will be taken into consideration in the following analysis even if the strong ideological framework behind Venezuelan external action has already been described in the second chapter. However, it is worth analysing its alternative and revolutionary elements concerning Latin American regional integration. More specifically, the leadership and pivotal dimensions of the regional initiatives promoted by Hugo Chavez are going to be highlighted.

Brazilian and Venezuelan ideas of regional integration are competing in Latin America, and Caracas has challenged the historical hegemonic role of Brazil in the region in various occasions and contexts.³⁹⁸ However, some initiatives seemed to compete more directly than others in this framework of analysis, even if the common denominator of the Bolivarian ideology is still linked to the proposal of an alternative scheme for the relationship among the countries of the region that see Venezuela as the main character of the play.³⁹⁹

However, Hugo Chavez focused his attention on fighting against the hegemonic role of the United States of America in world order and its continuous interference in Latin America, as Simon Bolivar’s famous motto recited: “[The United States] *appears destined by Providence*

³⁹⁶Gardini, Gianluca, and Peter Lambert, eds. *Latin American foreign policies: between ideology and pragmatism*. Springer, 2016.

³⁹⁷Diana Raby, Venezuelan Foreign Policy under Chavez 1999-2010: The Pragmatic Success of Revolutionary Ideology? In Gardini, Gianluca, and Peter Lambert, eds. *Latin American foreign policies: between ideology and pragmatism*. Springer, 2016.

³⁹⁸Burges, Sean W. "Building a global southern coalition: the competing approaches of Brazil's Lula and Venezuela's Chávez." *Third World Quarterly* 28, no. 7 (2007): 1343-1358.

³⁹⁹*ibidem*

to plague America with miseries in the name of Freedom”⁴⁰⁰.⁴⁰¹ Therefore, Hugo Chavez showed a particularly fierce opposition to the implementation of the Washington consensus, and more precisely he committedly opposed the creation of the Free Trade Area of America as proposed by president Bush in the 1994 OAS Summit in Miami.⁴⁰² Chavez saw the use of Simon Bolivar’s words to back the FTAA project by US president Bill Clinton as an insult to his political hero.⁴⁰³ During the OAS historical meeting in Mar de la Plata in 2005, the Venezuelan president buried the FTAA and contemporarily promoted his brand new regional initiative, ALBA, defining the growing and unstoppable Venezuelan prominence in Latin America.⁴⁰⁴

Nevertheless, the radical dimensions of Chavism domestic and foreign policies, which proposed alternative regional initiatives and projects that could have replaced the hegemonic control of Brazil over Latin America, clashed with the far more moderate orientation of the Brazilian president Lula.⁴⁰⁵ In particular, some examples of the rising of challenging initiatives were: the development of alternative oil collaboration structures (e.g. Petrosur, PetroCaribe and others), the establishment of ALBA, the financial support for Argentina and Paraguay, the encouragement dispensed to Bolivian gas nationalization and the social power-diplomacy operated in the region.⁴⁰⁶

Even if the main objective of ALBA was to contrast the neoliberal spread and US imperialism in the region, the Bolivarian Alliance for the Peoples of Our America actually challenged the status quo of Latin America, proposing a solidarity and cooperative project to enhance the level of development of its members.⁴⁰⁷ The inclusion of the small states of Bolivia, Nicaragua, Ecuador, Honduras and Dominica gave to the Venezuela-Cuban leadership the occasion to develop their ideological objectives in the area: it promoted energetic integration and financial support to the smaller counterparts to decrease their external dependence.⁴⁰⁸ The initiative had all the necessary requirements to contrast not only

⁴⁰⁰Bushnell, David, and Lester D. Langley. *Simón Bolívar: Essays on the life and legacy of the liberator*. Rowman & Littlefield, 2008.

⁴⁰¹ibidem

⁴⁰² Nelson, Marcel. “Institutional Conflicts of the Bolivarian Revolution: Venezuela’s Negotiation of the Free Trade Area of the Americas” in Ellner, Steve, ed. *Latin America's radical Left: challenges and complexities of political power in the twenty-first century*. 2014.

⁴⁰³Kozloff, Nikolas. *Hugo Chávez: Oil, politics, and the challenge to the US*. St. Martin's Griffin, 2015.

⁴⁰⁴ibidem

⁴⁰⁵Burges, Sean W. "Building a global southern coalition: the competing approaches of Brazil's Lula and Venezuela's Chávez." *Third World Quarterly* 28, no. 7 (2007): 1343-1358.

⁴⁰⁶ ibidem

⁴⁰⁷Di Ruzza, Marco. *L'America Latina sulla scena globale: nuovi lineamenti geopolitici di un continente in crescita*, Rubbettino Editore, 2011

⁴⁰⁸ibidem

CAN, but also to challenge Mercosur leadership in the region further emphasising the “one pro-Chávez, one pro-American” dichotomy in the region.

As far the financial support for the neighbouring countries is concerned, it is fundamental to mention the far-reaching agreement between Caracas and Buenos Aires on Argentinian bond purchase. As already mentioned in the previous chapter, between 2005 and 2008 Venezuela purchased seven billion dollars of Argentine obligations.⁴⁰⁹ Moreover, in 2006 the Chavist government decided to purchase \$100 million in Paraguayan bonds to fund the infrastructural sector of the country.⁴¹⁰ The two operations enhanced the bilateral relations of Venezuela with the two Mercosur members and showed Chavez’s willingness to make the region independent from the financial stability solutions imposed by the International Monetary Fund.⁴¹¹ Furthermore, the purchase of bonds portrayed Venezuela as the Latin American official financial lender.⁴¹²

The financial support of Argentina and Paraguay is part of a more comprehensive strategy of Venezuelan foreign policy, namely its social-power diplomacy.⁴¹³ Hugo Chavez strategically used foreign aid and oil based programs to promote and implement his personal vision of Latin American and social progress.⁴¹⁴ He was able to implement social projects in different countries of Latin America and the Caribbean to indirectly influence their development process using the vast oil resources of his country.⁴¹⁵ For instance, in 2005 the Venezuelan president inaugurated PetroCaribe, an oil-based alliance between Caracas and the Caribbean.⁴¹⁶ Venezuela distributed US\$17 billion of oil subsidies to 12 Caricom countries, Dominican Republic and Cuba through this program.⁴¹⁷ Thanks to PetroCaribe the participating countries were able to purchase Venezuelan oil at convenient prices and they would have had 25 years to repay the purchase at low interest rates.⁴¹⁸ Chavez rhetorically justified these programs under the aims of Latin American solidarity, multipolarism and the fight against inequalities, but behind the rhetoric he built bridges with politically affiliated

⁴⁰⁹Suggett, James. “Venezuela and Argentina Increase Cooperation in Gas, Agriculture, and Finance”, *Venezuelanalysis.com*, 19th May 2009, (2009), Available at: <http://venezuelanalysis.com/news/4453>

⁴¹⁰Burges, Sean W. "Building a global southern coalition: the competing approaches of Brazil's Lula and Venezuela's Chávez." *Third World Quarterly* 28, no. 7 (2007): 1343-1358.

⁴¹¹Kozloff, Nikolas. *Hugo Chávez: Oil, politics, and the challenge to the US*. St. Martin's Griffin, 2015.

⁴¹²Burges, Sean W. "Building a global southern coalition: the competing approaches of Brazil's Lula and Venezuela's Chávez." *Third World Quarterly* 28, no. 7 (2007): 1343-1358.

⁴¹³Corrales, Javier, and Michael Penfold. *Dragon in the Tropics: Venezuela and the Legacy of Hugo Chavez*. Brookings Institution Press, 2015.

⁴¹⁴*ibidem*

⁴¹⁵*ibidem*

⁴¹⁶*ibidem*

⁴¹⁷Burges, Sean W. "Building a global southern coalition: the competing approaches of Brazil's Lula and Venezuela's Chávez." *Third World Quarterly* 28, no. 7 (2007): 1343-1358.

⁴¹⁸*ibidem*

countries to implement his vision of the world.⁴¹⁹ Following Chavez's logic, the oil represented "a powerful lever to drive development, integration, cooperation, solidarity, and the economic complementarity of our countries"⁴²⁰ as Caracas' Ambassador to the OAS pointed out.⁴²¹

The support and encouragement demonstrated during the Bolivarian gas nationalization represented the political will of Venezuela to directly challenge the Brazilian leadership on the region.⁴²² As a matter of fact, the Brazilian oil company Petrosur was the most affected by Evo Morales' decision to nationalize the natural gas industry.⁴²³ Lula's response to the crisis was highly pragmatic and an appropriate deal was reached after a short period of negotiations.⁴²⁴ Nonetheless, the role of Chavez in supporting the operation was clearly in opposition to the interests of Brasilia and the inclusion of La Paz in ALBA represented the best way to commit his strategic partner, Evo Morales, to the realisation of the Bolivarian Alternative.⁴²⁵

Finally, even the application to become full member of Mercosur can be seen as a strategic option to mobilize Latin America towards the implementation of the Bolivarian Alternative.⁴²⁶ As was largely demonstrated in the previous chapter, Mercosur leaders and Hugo Chavez shared similar political orientations and a certain amount of aversion towards US domination of the region.⁴²⁷ Nonetheless, the original neoliberal orientation of the organization clashed with the regional objectives of Chavez. He openly called for a renovation of the bloc, emphasising the importance of adding a social dimension to the organization and calling for a "New Mercosur".⁴²⁸ As Robert Kehoane pointed out, in his famous book *After Hegemony: Cooperation and Discord in the World Political Economy*: "the hegemon seeks to persuade others to conform to its vision of the world and to defer to its

⁴¹⁹ibidem

⁴²⁰Jorge Valero, 'Oil, democracy, and hemispheric cooperation', speech to the OAS Permanent Council, 29 September 2005, OEA/Ser. G CP/INF. 5252/05 in Burges, Sean W. "Building a global southern coalition: the competing approaches of Brazil's Lula and Venezuela's Chávez." *Third World Quarterly* 28, no. 7 (2007): 1343-1358.

⁴²¹Burges, Sean W. "Building a global southern coalition: the competing approaches of Brazil's Lula and Venezuela's Chávez." *Third World Quarterly* 28, no. 7 (2007): 1343-1358.

⁴²²Burges, Sean W. "Brazil as regional leader: meeting the Chávez challenge." *Current History* 109, no. 724 (2010): 53.

⁴²³ibidem

⁴²⁴ibidem

⁴²⁵ibidem

⁴²⁶Burges, Sean W. "Building a global southern coalition: the competing approaches of Brazil's Lula and Venezuela's Chávez." *Third World Quarterly* 28, no. 7 (2007): 1343-1358.

⁴²⁷Ellner, Steve. *Rethinking Venezuelan Politics*. Boulder: Lynne Rienner, 2008.

⁴²⁸Carranza, Mario E. "MERCOSUR: The global, economic crisis and the new architecture of regionalism in the Americas." *FLACSO/LATN Working Paper* 125 (2010).

leadership”⁴²⁹, and that perfectly matched with the critical persuasive discourse of Chavez on Mercosur. The Venezuelan president not only wanted to use the full membership in the organization to implement his ideas on regional integration but also blamed the Brazilian leadership for having failed to listen to the smaller members of Mercosur.⁴³⁰

In conclusion, some of the most important foreign policy decisions made under the presidency of Hugo Chavez contrasted the Brazilian leadership in the region in favour of an alternative distribution of power.⁴³¹ However, president Lula first and Dilma Rousseff afterwards, did not remain silent and confronted the Venezuelan challenges with pragmatism and decisiveness, as the next section will illustrate.

2.3 Latin American hegemony and Brazilian challenges

Brazilian foreign policy has experienced an incredible continuity and coherence through the years as well as it has been always driven by high rate of pragmatism thanks to the centralization of foreign policy decision-making in both the Brazilian president and the foreign ministry Itamaraty.⁴³² Furthermore, two tendencies have characterised Brazilian foreign policy, namely autonomy and universalism: the former refers to the propensity of Brasilia to avoid restrictive international arrangements, while the latter is the willingness to extend international relations to a large number of interlocutors, geographically spread all over the globe, to remain independent from global powers.⁴³³ Besides these two tendencies, Brasilia’s foreign policy has always been influenced by the belief in a special Brazilian destiny, due to its history, culture and geopolitical position, which would have reserved Brazil a special place in the global order.⁴³⁴ However, the Bolivarian project elaborated by Hugo Chavez could have challenged these returning elements of Brazilian foreign policy, in

⁴²⁹Keohane, Robert O. *After Hegemony: Cooperation and Discord in the World Political Economy*, Princeton University Press, 1984

⁴³⁰Ellner, Steve. *Rethinking Venezuelan Politics*. Boulder: Lynne Rienner, 2008.

⁴³¹Burges, Sean W. "Building a global southern coalition: the competing approaches of Brazil's Lula and Venezuela's Chávez." *Third World Quarterly* 28, no. 7 (2007): 1343-1358

⁴³²Saraiva, Miriam Gomes. "Brazilian Foreign Policy: Causal Beliefs in Formulation and Pragmatism in Practice" in Gardini, Gianluca, and Peter Lambert, eds. *Latin American foreign policies: between ideology and pragmatism*. Springer, 2016.

⁴³³Ivi p. 55

⁴³⁴ibidem

particular it could have questioned Brazilian leadership in the region affecting Venezuelan entry into Mercosur.⁴³⁵

As was said before, Brazilian presidents did not overlook the challenges placed by Hugo Chavez and pragmatically responded to the confrontation.⁴³⁶ This paragraph will illustrate the direct responses to the challenging Bolivarian Alternative as well as the way through which Brazil actually pursued its quest for leadership, globally and regionally. Therefore, the first of the two following sub sections will be devoted to the analysis of the different strategies undertaken by the Brazilian government to obtain the similar scopes of the Bolivarian alternative and maintain Brazilian leadership over the region. On the other hand, the second sub section will present some of the projects and activities undertaken by Lula and Dilma Rousseff openly directed to contrast Chavez's rise in Latin America.

2.3.1 Brazilian similarities and differences with Venezuela: expanded leadership and multilateralism

As was mentioned at the beginning of this section, Brazilian foreign policy shared some important aims with the Bolivarian alternative proposed by Chavez, namely: Mercosur social dimension, multilateralism and the resulting departure from US influence, priority assigned to South-South cooperation and to developmental projects. Nevertheless, the two countries pursued different strategies to achieve similar goals.

As far as the social dimension of the Mercado Comun del Sur is concerned, the first Chapter has already explained the left shift in Mercosur led by the Brazilian-Argentinian axis and its consequences on the Venezuelan inclusion in the bloc, while the second chapter has pointed out the Venezuela call for renovation of the organization. However, Venezuela and Brazil's calls for change were not on the same level: the Venezuelan leader called for a revolution in the organization, which would have privileged social issues, while Lula's moderation pushed for an institutional renovation of the organization focused on social and political issues, which would not have hampered Brazilian business and would have ensured Brazilian leadership in the region.⁴³⁷

⁴³⁵Burges, Sean W. "Building a global southern coalition: the competing approaches of Brazil's Lula and Venezuela's Chávez." *Third World Quarterly* 28, no. 7 (2007): 1343-1358

⁴³⁶*ibidem*

⁴³⁷Saraiva, Miriam Gomes. "Brazilian Foreign Policy: Causal Beliefs in Formulation and Pragmatism in Practice" in Gardini, Gianluca, and Peter Lambert, eds. *Latin American foreign policies: between ideology and pragmatism*. Springer, 2016.

Secondly, Brazilian foreign policy privileged various forms of multilateralism during Lula's administration that ranged from economic and trade forum promotion to the elaboration of developmental initiatives.⁴³⁸ As explained before, the ideological framework of Venezuelan foreign policy was in favour of multilateralism in order to fight the hegemonic global order built by the United States.⁴³⁹ However, Lula da Silva did not share the same level of ferocity and hostility showed by Chavez against the United States.⁴⁴⁰ The tone used by the Brazilian president was characterized by a subtler and more refined strategy to negotiate with Washington, contrary to the biting style adopted by Chavez, who referred to the American president as "the devil".^{xvii} In fact, the promotion of multilateralism in Brazilian foreign policy is based on its great participation in global forums, in particular in multilateral trade forums such as the World Trade Organization.⁴⁴¹ Therefore, president Lula was particularly engaged in the global talks that led to the creation of two multilateral forums: the G20 and the India-Brazil-South Africa Dialogue Forum (IBSA).⁴⁴²

The G20, a group of twenty developing countries, established in 2003 during the WTO's Doha Round, pursued the promotion of a trade liberalisation, which would have favoured participants' interests in opposition to the concerns historically risen by the US and European countries.⁴⁴³ Thanks to the privileged position gained in the G20 group, the international community recognized Brazil as leader of the South.⁴⁴⁴ On the other hand, IBSA Dialogue Forum gathered the interests of the four economic tigers (India, Brazil and South Africa) in particular concerning: the future reforms of UN Security Council, the spread of globalisation and social and sustainable development.⁴⁴⁵

The priority given to multilateralism clashed with the US desperate pursuit of leadership in Latin America as testified by the Brazilian refusal to participate to the FTAA proposal.⁴⁴⁶ Moreover, Brazil has had an oscillating relationship with the United States due to the contrasting interests of the two countries at global and regional level.⁴⁴⁷ Furthermore, Brazil

⁴³⁸ *ibidem*

⁴³⁹ Kozloff, Nikolas. *Hugo Chávez: Oil, politics, and the challenge to the US*. St. Martin's Griffin, 2015.

⁴⁴⁰ Burges, Sean W. "Building a global southern coalition: the competing approaches of Brazil's Lula and Venezuela's Chávez." *Third World Quarterly* 28, no. 7 (2007): 1343-1358

⁴⁴¹ Levitsky, Steven, and Kenneth M. Roberts, eds. *The Resurgence of the Latin American Left*. JHU Press, 2013.

⁴⁴² Burges, Sean W. "Building a global southern coalition: the competing approaches of Brazil's Lula and Venezuela's Chávez." *Third World Quarterly* 28, no. 7 (2007): 1343-1358

⁴⁴³ Levitsky, Steven, and Kenneth M. Roberts, eds. *The Resurgence of the Latin American Left*. JHU Press, 2013.

⁴⁴⁴ Burges, Sean W. "Building a global southern coalition: the competing approaches of Brazil's Lula and Venezuela's Chávez." *Third World Quarterly* 28, no. 7 (2007): 1343-1358

⁴⁴⁵ *ibidem*

⁴⁴⁶ Di Ruzza, Marco. *L'America Latina sulla scena globale: nuovi lineamenti geopolitici di un continente in crescita*, Rubbettino Editore, 2011

⁴⁴⁷ *ibidem*

further privileged the South–South cooperation as well as foreign social development programs in various developing countries, contrasting the historical US hegemony. Even if Venezuela promoted the same type of agreements through its extensive social power diplomacy, Brazil-led projects were more based on cooperation and cultural diplomacy rather than on oil-centred initiatives or on the implementation of the Socialism of the XXI Century.⁴⁴⁸

In conclusion, this section has analysed the different approaches and strategies undertaken by Brazil and Venezuela to pursue similar, often contrasting, goals. As has been already pointed out, the Bolivarian Alternative proposed by Hugo Chavez pursued some objectives of leadership in Latin American that entailed a clash with the same aims chased by Lula's Brazil. The competing influence of the two countries resulted in the creation of two separate regional organizations: UNASUR for Brazil and ALBA for Venezuela. However, the contrasting strategies and the opposing purposes of the two countries' foreign policies did not represent an insurmountable obstacle for regional integration. Therefore, the historical pivotal role of Brazil ensured its leadership, through which Lula was able to include Venezuela in both Mercosur and UNASUR.

2.3.2 Brazilian leadership includes Venezuela in the South American game

After having discussed the similarities of aims and the differences in policy strategies, it is possible to conclude that the revolutionary foreign policy agenda elaborated by Hugo Chavez challenged the Brazilian leadership in the region, but Lula's pragmatic response to it tended to include Venezuela in his regional projects, as it also included possible rivalries in the global context in multilateral forums, avoiding useless confrontations. However, this section will analyse the actions that were put in place to directly react to the rise of the Bolivarian alternative, in particular, the investigation will take into consideration: the creation of UNASUR, the pragmatic response to the Bolivian gas nationalization and the strategic inclusion of Venezuela in Mercosur.⁴⁴⁹ Starting with the creation of UNASUR, it is possible to underline the perfect timing of its establishment: the creation of the organization perfectly

⁴⁴⁸Dabène, Olivier, Frédéric Louault, and Aurélie Boissière. *Atlas du Brésil: promesses et défis d'une puissance émergente*. Autrement, 2013.

⁴⁴⁹Burges, Sean W. "Building a global southern coalition: the competing approaches of Brazil's Lula and Venezuela's Chávez." *Third World Quarterly* 28, no. 7 (2007): 1343-1358

fit with the establishment of ALBA in 2004 and its enlargement in 2006.⁴⁵⁰ The Community of South American Nations (CASA in Spanish) was created in 2004 during the Cuzco meeting and it comprised twelve South American countries in a forum to develop common infrastructures, it renewed its scopes and changed its name to The Union of South American Nations in 2008.⁴⁵¹ This change in name and scopes gave the organization a legal personality and UNASUR put the whole subcontinent, with the strategic exclusion of Mexico, under the same umbrella organization, giving Brazil the possibility, its leading country, to supervise and rule over the members of three different organizations: ALBA, CAN and Mercosur.⁴⁵² In particular, the organization was the result of the pressure coming from Venezuela to include more political issues into the regional experiences of the area.⁴⁵³ Even if the organization did not have as powerful an ideological framework as ALBA, it included important incentives to cooperate on the infrastructure sector giving Brazil the essential tools to lead the regional integration.⁴⁵⁴

On the other hand, the military occupation of PetroBras' facilities in Bolivia represented a serious menace to the economic interests of Brazil.⁴⁵⁵ Behind the decision of Evo Morales there was the encouragement and the material support of Hugo Chavez to nationalize the natural gas resources of Bolivia.⁴⁵⁶ It is worth mentioning that during his presidency Hugo Chavez implemented the nationalization of (or strongly limited the foreign companies' presence in) a big number of profitable sectors in his country,⁴⁵⁷ consequently his support for Bolivian nationalization was backed with ideological reasoning that placed Chavez and Lula on two opposite positions.⁴⁵⁸ However, president Lula pragmatically resolved the situation cutting the availability of fuel in Bolivia and threatening to diminish the dependency on Bolivian gas: the two countries quickly reached a deal on the issue.⁴⁵⁹

⁴⁵⁰Di Ruzza, Marco. *L'America Latina sulla scena globale: nuovi lineamenti geopolitici di un continente in crescita*, Rubbettino Editore, 2011

⁴⁵¹ ibidem

⁴⁵² ibidem

⁴⁵³Saraiva, Miriam Gomes. "Brazilian foreign policy towards South America during the Lula Administration: caught between South America and Mercosur." *Revista Brasileira de Política Internacional* 53, no. SPE (2010): 151-168.

⁴⁵⁴Di Ruzza, Marco. *L'America Latina sulla scena globale: nuovi lineamenti geopolitici di un continente in crescita*, Rubbettino Editore, 2011

⁴⁵⁵Burges, Sean W. "Brazil as regional leader: meeting the Chávez challenge." *Current History* 109, no. 724 (2010): 53.

⁴⁵⁶ ibidem

⁴⁵⁷Ellner, Steve. *Rethinking Venezuelan Politics*. Boulder: Lynne Rienner, 2008.

⁴⁵⁸Manduca, Paulo César. "La energía en la política sudamericana: características de las relaciones entre Brasil y Venezuela." *Revista mexicana de ciencias políticas y sociales* 57, no. 216 (2012): 81-100.

⁴⁵⁹Burges, Sean W. "Brazil as regional leader: meeting the Chávez challenge." *Current History* 109, no. 724 (2010): 53.

Finally, the Venezuelan process of integration in Mercosur can be seen as a strategic way to include one of the richest countries (in term of resources), as well as one of the most powerful, and consequently dangerous, leaders of the of the sub-continent in a regional organization that promotes trade liberalisation and economic growth.⁴⁶⁰ As was already mentioned in chapter two, the inclusion of Venezuela as a full member of the bloc could represent an attempt to limit the revolutionary and anti-neoliberal dimensions of Caracas foreign policy.⁴⁶¹ The enthusiasm showed during the accession by Mercosur leaders, the ideological proximity, the strategic and economic value of Venezuela and the political shift in the Mercosur agenda partially challenged the mentioned interpretation, as is explained in the previous chapter. Nonetheless, Brazilian non-official commentators raised some concerns on the inclusion of Venezuela and the cited interpretation represents a valid alternative to the interpretation privileged in this work.

To wrap up, the contrasting strategies and, to a certain extent, opposing objectives of the two countries cannot justify alone the troubled ratification process faced by Venezuela. As has been shown, the strategy undertaken by Brazil to overcome the challenges posed by the Chavist regime was to include the challenger in the regional experiences and projects led by Brasilia, avoiding inadequate and counterproductive hostilities. Therefore, the bloc's leader did not create any strategic opposition during the prolonged ratification process. Consequently, the following paragraph will deal with the long journey that led to the inclusion of Venezuela into Mercosur, underlining the concerns raised by the Brazilian senate and the Paraguayan parliament on the scarce democratic performance of Chavez in Venezuela: the main reasons that extended the ratification.

⁴⁶⁰Carranza, Mario E. "MERCOSUR: The global, economic crisis and the new architecture of regionalism in the Americas." *FLACSO/LATN Working Paper* 125 (2010).

⁴⁶¹*ibidem*

3. Contesting Venezuelan application: democratic and legal concerns

As has already been mentioned, the Brazilian senate and the Paraguayan parliament, which opposed the inclusion of Caracas due to the low democratic performances of Hugo Chavez as president, were the core opponents to the inclusion and they represented the main reasons behind the troubled Venezuelan path to Mercosur. The two chambers' opposition to the ratification protocol of Venezuela's membership in the regional organization was backed by different reasons and arrived in different moments of the ratification process. This section will firstly deal with the democratic concerns raised by the two parliamentary branches and it will later discuss the legality of the inclusion of Venezuela during the suspension of Paraguay.

3.1 Brazilian and Paraguayan parliaments oppose Venezuela Membership

The Treaty of Asuncion (1991) defined the procedure of accession of new members in Mercosur and it involved the participation of the organization's institutions and the final approval of the member countries: as the image shows, being part of the ALADI is a necessary requirement to become a member, then the official membership application has to be presented during a CMC meeting.⁴⁶² In case of unanimity of approval, the GMC is in charge of negotiating membership's terms and conditions through an ad hoc committee.⁴⁶³ The adhesion protocol is lastly discussed according to the internal legislative procedure of the member parties.⁴⁶⁴

In the Venezuelan case, Caracas presented its official membership candidature in 2006 and then waited until 2012 to become a full member of the organization.⁴⁶⁵ The Brazilian and Paraguayan concerns stopped the process of integration and threatened the full membership of Caracas. Moreover, the internal political crisis in Asuncion, which led to the removal of president Fernando Lugo from his office, further slowed down the ratification procedure.⁴⁶⁶

⁴⁶²"Pases Del MERCOSUR." MERCOSUR -. Accessed August 14, 2016.

<http://www.mercosur.int/innovaportal/v/7823/2/innova.front/paises-del-mercotur>.

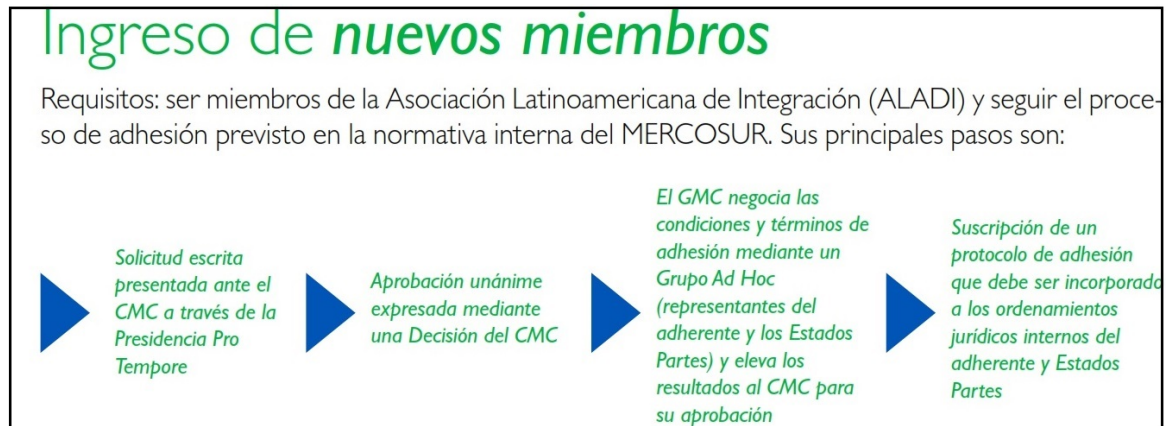
⁴⁶³ibidem

⁴⁶⁴ibidem

⁴⁶⁵Romero, Simon . "With Brazil as Advocate, Venezuela Joins Trade Bloc", the New York Times, 31st Jul. 2012, (2012) Available at: <http://www.nytimes.com/2012/08/01/world/americas/mercotur-trade-bloc-admits-venezuela-as-full-member.html>

⁴⁶⁶Castillo, Mariano. "Paraguay president faces impeachment after deadly clash", cnn.com, 21st Jun. 2012, (2012) Available at: <http://edition.cnn.com/2012/06/21/world/americas/paraguay-president/>

On the other hand, the other legislative branches of the two remaining members of the organization, Argentina and Uruguay, rapidly approved the inclusion of the new country in the bloc.⁴⁶⁷



The image shows the legislative *iter* to include new members in Mercosur: from the unanimous decision of the CMC to the ratification process its member States. (Source: "Pases Del MERCOSUR." MERCOSUR -. Accessed August 14, 2016. <http://www.mercosur.int/innovaportal/v/7823/2/innova.front/paises-del-mercotur>.)

Besides having discussed the democratic low performances of the Chavist regime in Venezuela, the Brazilian senate raised concerns on another violation of democratic values of which Caracas was responsible, specifically, the decision of Hugo Chavez not to renew the legal authorisation for emission of Radio Caracas Televisión (RCTV) in May 2007.⁴⁶⁸ The alignment of the emission with the regime's opposition made clearer that the decision made by the Venezuelan president could be interpreted as a limitation of the freedom of speech and the freedom of information.⁴⁶⁹ Therefore, the senators raised further concerns on the violation of the minimum democratic requirements necessary to be part of the organization, as well as on the consequent instability that the inclusion of Venezuela would have brought to the bloc.⁴⁷⁰

⁴⁶⁷Council of Hemispheric Affairs. "While Brazilian Senators Debate, Venezuela is on the Brink of Being Confirmed as Mercosur's Fifth Member", coha.org, 16th November 2009, (2009) Available at: <http://www.coha.org/venezuela-brink-of-mercotur/>

⁴⁶⁸EIU ViewsWire. "Brazil/Venezuela politics: Brazil's Congress may fail to approve Venezuela's membership in Mercosur", The Economist Intelligence Unit N.A., Incorporated, 17th Jul. 2007, (2007) Available at: <http://search.proquest.com/docview/466546769?accountid=17194>

⁴⁶⁹ibidem

⁴⁷⁰Council of Hemispheric Affairs. "While Brazilian Senators Debate, Venezuela is on the Brink of Being Confirmed as Mercosur's Fifth Member", coha.org, 16th November 2009, (2009) Available at: <http://www.coha.org/venezuela-brink-of-mercotur/>

The nationalist and anti-imperialist dimension of the Chavist ideology perplexed the Brazilian commentators.⁴⁷¹ The Venezuelan president aggressively responded to the claims raised by the Brazilian senate, which Chavez accused to “repeat as a parrot what the U.S. Congress says about Venezuela”⁴⁷².⁴⁷³ Heraclito Fortes, head of the Foreign Relations Committee of the Brazilian senate, considered Chavez’s insinuation as “unacceptable”.⁴⁷⁴ The subsequent declaration by Chavez threatening to withdraw the membership further provoked the opposition in the Brazilian upper chamber.⁴⁷⁵

In the meanwhile, the vote on the protocol of accession was postponed to wait for more favourable conditions.⁴⁷⁶ Finally, in December 2008 the House of Representatives approved the Venezuela membership protocol and, less than a year later, the Foreign Relations Committee of the senate agreed on the same topic in Brasilia.⁴⁷⁷ In December 2009 the Brazilian senate finally voted and approved the protocol of accession with 35 votes in favour and 27 against.⁴⁷⁸ At this point there was just one last obstacle to overcome for the inclusion of Venezuela: the final approval from the Paraguayan parliament.⁴⁷⁹

As mentioned before, the long journey that led to the full incorporation of Venezuela as a full member of Mercosur depended on the decision of the smallest state of the bloc: Paraguay. Therefore, Brazilian and Argentinian diplomats powerfully put the Paraguayan president under pressure for the approval of the adhesion protocol.⁴⁸⁰ Fernando Lugo openly sustained Venezuelan membership but, right after his election as president of Paraguay he lost his party’s support and he was accused by the political opposition and the media, in particular by

⁴⁷¹Goldzweig, Rafael Schmuziger. "A Entrada Da Venezuela No Mercosul: AnáliseDosAspectosPolíticos E Econômicos." *Revista de IniciaçãoCientíficaemRelaçõesInternacionais* 1, no. 1 (2013): 02-29.

⁴⁷²Council of Hemispheric Affairs. “While Brazilian Senators Debate, Venezuela is on the Brink of Being Confirmed as Mercosur’s Fifth Member”, coha.org, 16th November 2009, (2009) Available at: <http://www.coha.org/venezuela-brink-of-mercotur/>

⁴⁷³EIU ViewsWire. “Venezuela politics: Mercosur entry in doubt”, The Economist Intelligence Unit N.A., Incorporated, 1st Oct 2007, (2007) Available at:

<http://search.proquest.com/docview/466523648?accountid=17194>

⁴⁷⁴ibidem

⁴⁷⁵ibidem

⁴⁷⁶Goldzweig, Rafael Schmuziger. "A Entrada Da Venezuela No Mercosul: AnáliseDosAspectosPolíticos E Econômicos." *Revista de IniciaçãoCientíficaemRelaçõesInternacionais* 1, no. 1 (2013): 02-29.

⁴⁷⁷Council on Hemispheric Affairs, While Brazilian Senators Debate, Venezuela is on the Brink of Being Confirmed as Mercosur’s Fifth Member, coha.org, November, 16 2009, available at: <http://www.coha.org/venezuela-brink-of-mercotur/>

⁴⁷⁸Di Ruzza, Marco. *L’America Latina sulla scena globale: nuovi lineamenti geopolitici di un continente in crescita*, Rubbettino Editore, 2011

⁴⁷⁹ibidem

⁴⁸⁰MercoPress. “Political deal in Paraguay to vote for Venezuela’s incorporation to Mercosur”, 30th Nov 2010, (2010) Available at: <http://en.mercopress.com/2010/11/30/political-deal-in-paraguay-to-vote-for-venezuela-s-incorporation-to-mercotur/>

the newspaper ABC Colour, to have introduced 21st Century Socialism in his country.⁴⁸¹ The accusation coming from the legislative branch forced the Paraguayan president to postpone the parliamentary vote on the protocol of accession of Venezuela.⁴⁸² Paraguayan vice-president, Federico Franco, strongly opposed the decision to include Venezuela in Mercosur and during an interview with ABC Colour he commented: “it seems ironic but the good health of Mercosur depends on the Paraguayan Senate. The tiniest and smallest country of Mercosur has the responsibility of saving Mercosur, or eventually signing its death certificate”⁴⁸³.⁴⁸⁴ Hector Lacognata, Paraguayan Foreign Minister, stood on the same side of the vice-president and proposed other forms of collaboration with Venezuela, which would not entail a risk for his country.⁴⁸⁵

The fierce opposition to Fernando Lugo coming from the Parliament, and even from the executive branch, was just the symptom of the loose control of the president over the situation that eventually led to his impeachment on 21st June 2010.⁴⁸⁶ Even if the impeachment was part of the political system of Paraguay its interpretation raised some perplexities, which gave the possibility to Mercosur leaders to temporarily suspend Asuncion from the organization.⁴⁸⁷ Cristina Kirchner announced the official suspension during her closing speech at the Mercosur presidential Summit held in Mendoza.⁴⁸⁸ The Paraguayan suspension, based on the interruption of the democratic order in the country as mentioned by the Argentinian president, gave the green light for the full accession of Venezuela in the bloc on 31st July 2012.⁴⁸⁹

⁴⁸¹Forbes. “Paraguay, Venezuela Face Off Over Mercosur”, forbes.com, 29th Dec. 2009, (2009) Available at: <http://www.forbes.com/2009/12/28/paraguay-mercotur-lugo-business-oxford-analytica.html>

⁴⁸²ibidem

⁴⁸³MercoPress. “Paraguay’s Vice-president contrary to Venezuela joining Mercosur”, mercopress.com, 2nd Jan 2010, (2010) Available at: <http://en.mercopress.com/2010/01/07/paraguays-vice-president-contrary-to-venezuela-joining-mercotur>

⁴⁸⁴ibidem

⁴⁸⁵ibidem

⁴⁸⁶Castillo, Alberto Martínez. "De la Comunidad Andina de Naciones al MercadoComún del Sur: nueva estrategia de integración de Venezuela." *Colombia Internacional* 83 (2015): 203-233.

⁴⁸⁷ibidem

⁴⁸⁸El Universo “Mercosursuspende a Paraguay hastanuevaselecciones e incorpora a Venezuela”, eluniverso.com, 29thJun. 2012, (2012) Available at: <http://www.eluniverso.com/2012/06/29/1/1361/mercotur-suspende-paraguay-hasta-nuevas-elecciones-incorpora-venezuela.html>

⁴⁸⁹ibidem

3.2 Low democratic performances of Chavist regime

The low democratic performances of the Venezuelan regime have been clearly exposed by the NGO Human Rights Watch in a report realized in 2013 to evaluate the Chavez presidency from 1999 to 2013.⁴⁹⁰ In this report the organization pointed out the most important steps that led the regime to the final concentration of power and lack of human rights safeguards, from the 1999 Constitution, through the survival to the 2002 semi-coup, to the 2009 new constitution.⁴⁹¹ The analysis focuses on two of the most important events concerning the accumulation of power: first, the 2004 election of twelve additional judges in the Supreme Court to limit judicial independence and ensure the support for the Chavist regime, and second, the expansion of government power to control the media that led to the non-renewal of RCTV's licence in 2007.⁴⁹²

The democratic concerns raised by the Brazilians and Paraguayans were reasonably based on a clear lack of economic and political rights protection that could have endangered the bloc and caused a loss in legitimacy of the organization.⁴⁹³ Even after the clear possibility of not being incorporated in the bloc, Venezuelan democratic performances did not seem to improve. As a matter of fact, Hugo Chavez announced a popular referendum to approve the amendment of the 1999 Venezuelan Constitution right after his re-election in 2007.⁴⁹⁴ The referendum was held in February 2009 and it entailed the "indefinite re-election" of all elected officers, president included.⁴⁹⁵ The political relevance of this act represented one of the most important steps in the regime transformation operated by Chavez: the indefinite re-election not only opened space for the re-emergence of the authoritarian past of Latin America but also consistently limited the political alternation and the check and balances, already controlled by PSUV, unquestionably threatening the democratic life of the country.⁴⁹⁶ Additionally, President Obama raised some concerns a few days before the official inclusion of Venezuela in the bloc, regarding the low democratic performances of the Venezuelan

⁴⁹⁰Human Rights Watch. "Venezuela: Chávez's Authoritarian Legacy: Dramatic Concentration of Power and Open Disregard for Basic Human Rights", hrw.org, 5th Mar. 2013, (2013) Available at: <https://www.hrw.org/news/2013/03/05/venezuela-chavez-authoritarian-legacy>

⁴⁹¹ibidem

⁴⁹²ibidem

⁴⁹³Jordan, Lucy. "Paraguay Out, Venezuela In: What Do Mercosur's Changes Mean for Brazil?", Americas Quarterly, 17th Jul. 2012, (2012) Available at: <http://www.americasquarterly.org/paraguay-out-venezuela-in>

⁴⁹⁴Corrales, Javier, and Michael Penfold. *Dragon in the Tropics: Venezuela and the Legacy of Hugo Chavez*. Brookings Institution Press, 2015.

⁴⁹⁵ibidem

⁴⁹⁶ibidem

regime, during an interview with the opposition journal *El Universo*.⁴⁹⁷ In particular, the US president pointed out his worries about Caracas' provisions "that have restricted the universal rights of the Venezuelan people, threatened basic democratic values, and failed to contribute to the security of the region"⁴⁹⁸. Obama was hoping to change, with such words, the decision of the other members of Mercosur to revise their decision over Venezuelan membership.⁴⁹⁹

3.3 Venezuelan membership raises some legal concerns

The continuous procrastination of the vote due to the instable situation of Asuncion generated some concerns over the ratification process of Mercosur new memberships and put on the Mercosur agenda a revision of the legal criteria for the admission.⁵⁰⁰ The high complexity of this amendment clearly pushed the favourable members to find a different solution to the problem. The temporarily suspension of Paraguay created a strategic window for the final ratification of the Venezuelan inclusion in Mercosur. Cristina Kirchner, as well as the other Mercosur leaders, reasoned the Paraguayan suspension declaring in the Mendoza summit that the internal political and institutional crisis represented a "democratic breach of the democratic constitutional order in violation of the constitutional democratic clause of Mercosur"^{xviii} during the Mendoza Summit.⁵⁰¹

Nevertheless, the Paraguayan supporters of Lugo's impeachment have repeatedly questioned the legality of the decision taken by Mercosur members, which clearly excluded Asuncion from the table of talks. The symbolic vote against the inclusion of Venezuela arrived in August 2012, right after the suspension from the organization.⁵⁰² Miguel Carrizosa, president of the Foreign Relations Commission of the Paraguayan parliament, declared that the admission of Caracas clearly "violated article 20 of the Treaty of Asunción which determined

⁴⁹⁷MercoPress. "Obama joins the Mercosur controversy over the incorporation of Venezuela", *mercopress.com*, 20th Dec 2011, (2011) Available at: <http://en.mercopress.com/2011/12/20/obama-joins-the-mercursos-controversy-over-the-incorporation-of-venezuela>

⁴⁹⁸*ibidem*

⁴⁹⁹*ibidem*

⁵⁰⁰MercoPress. "Mercosur summit to deal with Venezuela inclusion and obstacles to trade", *mercopress.com*, 19th Dec 2011, (2011) Available at: <http://en.mercopress.com/2011/12/19/mercursos-summit-to-deal-with-venezuela-inclusion-and-obstacles-to-trade>

⁵⁰¹*El Universo* "Mercosur suspende a Paraguay hasta nuevas elecciones e incorpora a Venezuela", *eluniverso.com*, 29th Jun. 2012, (2012) Available at: <http://www.eluniverso.com/2012/06/29/1/1361/mercursos-suspende-paraguay-hasta-nuevas-elecciones-incorpora-venezuela.html>

⁵⁰²*Buenos Aires Herald*. "Paraguayan Senate rejects Venezuela's entry to Mercosur", *buenosairesherald.com*, 24th Aug. 2012, (2012) Available at: <http://www.buenosairesherald.com/article/109662/paraguayan-senate-rejects-venezuela%E2%80%99s-entry-to-mercursos>

the creation of Mercosur⁵⁰³ right after the infamous Mendoza meeting.⁵⁰⁴ Article 20 of the Treaty of Asuncion clearly stated that the unanimous vote of the four members of the organization, namely Argentina, Brazil, Paraguay and Uruguay, is needed to approve new memberships.⁵⁰⁵ So, following the literal interpretation, the inclusion of Venezuela should be considered illegal or at least debatable, as other commentators have pointed out. For instance, Danilo Astori, Montevideo's vice-president, sided the Paraguayan questioning and defined the inclusion of Venezuela in the bloc as "the worst institutional wound"⁵⁰⁶ for the organization.⁵⁰⁷ Some serious concerns arrived also from some members of the Brazilian senate, which not only had opposed the inclusion in the first place but have also interpreted the inclusion of Venezuela as a dark and elaborated intrigue orchestrated by president Dilma Rousseff.⁵⁰⁸

Paraguayan opposition against Caracas' full membership became even fiercer to the point that Federico Franco, appointed president a few hours after Lugo's impeachment, menaced to hold a referendum to decide whether to maintain the membership in Mercosur.⁵⁰⁹ President Franco also questioned the legality of Paraguayan suspension, which did not respect the Ushuaia protocol's provision that requires a consultation with the charged country.⁵¹⁰ However, Ferdinando Lugo continued to defend his position in favour of the annexation and accused the newly established regime to have breached the democratic and constitutional order of the country during his two-hour impeachment.⁵¹¹

However, the aim of this work is not to analyse the legitimacy of Venezuelan inclusion in the bloc, but to investigate the reasons why the inclusion of Caracas in Mercosur was so troubled and tortuous. As it has been explained in the previous sections, the decision of including Chavez in the bloc was supported mainly by Lula's Brazil and to a certain extent by the Kirchners' Argentina. The ideological and strategic differences, as well as the incompatibility of the aims of Brasilia and Caracas were not the cause of the delay in the approval. On the

⁵⁰³ibidem

⁵⁰⁴ibidem

⁵⁰⁵Foreign Trade Information System. "Treaty Establishing a Common Market between the Argentine Republic, the Federal Republic of Brazil, the Republic of Paraguay and the Eastern Republic of Uruguay", Asuncion (1991), available at: http://www.sice.oas.org/trade/mrcsr/TreatyAsun_e.asp#CHAPTER_IV

⁵⁰⁶Jordan, Lucy. "Paraguay Out, Venezuela In: What Do Mercosur's Changes Mean for Brazil?", *Americas Quarterly*, 17th Jul. 2012, (2012) Available at: <http://www.americasquarterly.org/paraguay-out-venezuela-in>

⁵⁰⁷ibidem

⁵⁰⁸ibidem

⁵⁰⁹MercoPress. "Paraguay considers consulting the people whether 'to continue or not in Mercosur' ", *mercopress.com*, 2nd July 2012, (2012), Available at: <http://en.mercopress.com/2012/07/02/paraguay-considers-consulting-the-people-whether-to-continue-or-not-in-mercosur>

⁵¹⁰ibidem

⁵¹¹ibidem

contrary, both president Lula and Dilma Rousseff maintained the same strategy towards Venezuela to include it and his charismatic leader in the bloc instead of opposing his foreign policy success. Therefore the delay in the ratification process of Venezuelan membership was entirely due to the opposition of the Brazilian senate and the Paraguayan parliament. The two parliamentary assemblies raised consistent concerns over the low democratic performances of *Chavismo* and opposed the inclusion of Caracas in the bloc. On the one hand, Lula and Fernando Lugo put extraordinary efforts into reaching the consent of their national parliamentary chambers, postponing the vote to wait for a more favourable moment. On the other hand, the fierce opposition manifested by the Paraguayan parliament was linked to the controversial relations between the legislative branch and the executive one, with President Lugo, who was after impeached and removed from his office.

4. Polarization and recent political developments of Mercosur

Before the conclusion of this work, it is fundamental to take into consideration the consequent politicization and polarization of Mercosur after the inclusion of Venezuela into the bloc, as well as the most important recent political developments of the region that entailed the political outbreak of the Chavist regime in Venezuela and the end of the left shift in Latin America. Along with the evaluation of the mentioned issues, this section will deal with the consequences of two phenomena: Hugo Chavez regional strategies and Venezuelan inclusion in Mercosur in the South American region and the raising of competitive regional initiatives. Moreover, the negative effects of Mercosur politicization will be analysed in relation with the EU talks.

4.1 Mercosur politicization and polarization Latin America

The decision to include Venezuela in Mercosur was highly political and legally debatable, as the Uruguayan president Pepe Mujica commented “*Lo Politico SuperaAmpliamente a lo Juridico*”⁵¹², after the rapid ratification during the Paraguayan suspension.⁵¹³ The inclusion of Caracas in the bloc raised numerous concerns about the Venezuelan violation of democratic basic requirements recognized by the organization.⁵¹⁴ XXI Century Socialism, inaugurated by Hugo Chavez, had, and still has, huge repercussions on the South American countries and generated a diffused polarization in the region.⁵¹⁵ As already introduced, the Chavist ideology set a profound dichotomy between two factions: pro-Chavez and pro-United States.⁵¹⁶ On the one hand, Argentina, Brazil, Bolivia and Ecuador have implemented Chavism oriented policies and they stood on the side of the *compañero*; on the other hand, the pacific countries, mainly Chile and Colombia, have preferred market liberalisation policies and strengthened their political and economic ties with the United States.⁵¹⁷

After the inclusion of Venezuela in Mercosur, this growing polarization affected internal functioning and mission of the organization.⁵¹⁸ The neoliberal purposes had already started to vanish after the arrival of leftist governments in Argentina and Brazil, which supported the entrance of Venezuela and misled the trade talks with the EU (stagnating since 1999).⁵¹⁹ The chronic inertia of the bloc, which is currently more focused on resolving internal issues and disagreements, has been caused by the leftist alignment between Argentina, Brazil and Venezuela, who have failed to further implement their social agenda.⁵²⁰ The successors of the charismatic leaders: Lula, Néstor Kirchner and Hugo Chavez, who led the renovation of Mercosur, have demonstrated to be unable to continue the organization’s transformation, mainly due to the domestic issues they had to face.⁵²¹ However, the alignment of the three

⁵¹²Gouvea, Raul, and Manuel Montoya. "Mercosur After Chavez." *Thunderbird International Business Review* 56, no. 6 (2014): 563-575.

⁵¹³*ibidem*

⁵¹⁴*ibidem*

⁵¹⁵*ibidem*

⁵¹⁶Castañeda, Jorge G. “Latin America's Left Turn”, *Foreign Affairs*, 1st May 2006, (2006) Available at : <https://www.foreignaffairs.com/print/1110398p.6>

⁵¹⁷Gouvea, Raul, and Manuel Montoya. "Mercosur After Chavez." *Thunderbird International Business Review* 56, no. 6 (2014): 563-575.

⁵¹⁸*ibidem*

⁵¹⁹The Economist, Mercosur RIP?, from the printable version on [economist.com](http://www.economist.com), July 14, 2012, available at: <http://www.economist.com/node/21558609>

⁵²⁰*ibidem*

⁵²¹Jonathan Watts, Scandals, protests, weak growth: is Latin America’s left in retreat?, *The Guardian*, March 22, 2015, available at: <https://www.theguardian.com/world/2015/mar/22/latin-america-left-tough-times-brazil-argentina-venezuela>

biggest countries of the bloc aggravated the already existing separation of Mercosur in two opposing coalitions: on one side, pro-trade liberalisation small states of Uruguay and Paraguay; on the other side, the protectionist nations composed by Buenos Aires, Brasilia and Caracas.⁵²²

Moreover, the consistent limits of the internal structure of the organization have further worsened the situation.⁵²³ Article 16 of the Treaty of Asuncion requires the unanimity of votes for the decision taken by the Council of the Common Market and the Common Market Group.⁵²⁴ Therefore, the polarised composition of the organization would not allow taking any meaningful decisions due to the veto power of each member.⁵²⁵ Furthermore, Mercosur members can ratify Free Trade Agreements (FTA) only as a bloc after the decision 32/2000, so the protectionist attitude of certain members can jeopardise the economic interests of the others.⁵²⁶ Finally, the use of the democracy clause has become a political tool to block troublesome decisions as in the case of the Paraguayan suspension.⁵²⁷ Nevertheless, the clause has not been used yet against Maduro's actions and breaches of democratic rights.⁵²⁸

Between 2013 and 2016 the Latin American leadership shifted towards the right: after the election of Horacio Cartes in Paraguay, Mauricio Macri's election followed as Argentina's president and the temporary appointment of Michel Temer in Brazil (nominated to replace Dilma Rousseff after the impeachment).⁵²⁹ A deeper analysis of these events will be presented in the following section. Nonetheless this shift in political leadership showed the further bloc's fragmentation. In particular, the reluctance shown by Uruguay to give Mercosur presidency to Venezuela in 2016 represents a remarkable example of this polarization. At the end of its mandate, which coincided with a crucial moment of the EU-Mercosur negotiations, the Uruguayan government was reluctant to cede the Mercosur leadership to Venezuela.⁵³⁰ Paraguay openly blamed Venezuela for not having complied with

⁵²²The Economist. "Mercosur RIP?", from the printable version on [economist.com](http://www.economist.com), 14th Jul. 2012, (2012) Available at: <http://www.economist.com/node/21558609>

⁵²³Cain, Eli; and Sato, Erika. "The Venezuela Problem: Hyper-Politicization and Fragmentation in Mercosur", Council of Hemispheric Affairs 7th Jul. 2016, (2016) Available at: <http://www.coha.org/the-venezuela-problem-hyper-politicization-and-fragmentation-in-mercursosur/>

⁵²⁴*ibidem*

⁵²⁵*ibidem*

⁵²⁶*ibidem*

⁵²⁷*ibidem*

⁵²⁸*ibidem*

⁵²⁹TeleSur. "From Chavez to Macri, Mercosur Shifts Right", [telesurtv.net](http://www.telesurtv.net), 2nd Jul. 2016, (2016) Available at: <http://www.telesurtv.net/english/analysis/From-Chavez-to-Macri-Mercosur-Shifts-Right-20160702-0023.html#comsup>

⁵³⁰*ibidem*

Mercosur's democratic requirements and opposed Caracas chairing.⁵³¹ The Brazilian government served Venezuelan cause during Dilma Rousseff's presidency, proposing a compromised solution that entailed the Venezuelan compliance with the democracy clause and chairing before August.⁵³² However, after the appointment of Michel Temer, Brasilia was more prone to find a different solution not to block negotiations with the European Union.⁵³³ A compromised solution was found after long discussions, Venezuela took the presidency on July 12, while Uruguay will continue to lead EU talks.⁵³⁴

4.2 Current political developments in Latin America

After the death of president Hugo Chavez, the 2013 Venezuelan election saw the predictable victory of Nicola Maduro, *caudillo's* pupil.⁵³⁵ The death of president Chavez left a huge political lapse in Venezuela, which was difficult to fill. Since 2008 a constant erosion of foreign currency affected the country, as well as a rampant inflation due to the fixed prices regime and redistributive policies imposed by Chavez.⁵³⁶ A further devaluation of the national currency, caused by the Maduro's excessively expansionary monetary policy, is devouring salaries.⁵³⁷ Furthermore, the declining oil prices which started in 2014 seriously hit Venezuelan economy, which is highly dependent on the energy export.⁵³⁸ To have an idea of the impact of the oil price decline on Caracas it is possible to think that "each \$1 drop in oil prices results in more than \$685m in lost yearly oil income for PDVSA, the state-owned oil

⁵³¹Taylor, Matthew. "Venezuela's Woes Reach Mercosur", Council of Foreign Relations, 7th Jul. 2016, (2016) Available at: <http://blogs.cfr.org/oneil/2016/07/07/venezuelas-woes-reach-mercotur/>

⁵³²*ibidem*

⁵³³MercoPress. "Brazil wants Venezuela out of the Mercosur rotating chair", *mercopress.com*, 3rd Jun. 2016, (2016) Available at: <http://en.mercopress.com/2016/06/03/brazil-wants-venezuela-out-of-the-mercotur-rotating-chair>

⁵³⁴*ibidem*

⁵³⁵Neuman, William. "Even in Death, Chávez Is a Powerful Presence", *New York Times*, 18th Apr. 2013, (2013), Available at: http://www.nytimes.com/2013/04/09/world/americas/even-in-death-chavez-dominates-venezuelas-presidential-race.html?_r=0

⁵³⁶Dabène, Olivier et al. "Amériquelatine - L'Annéepolitique 2014", *Observatoirepolitique de l'Amériquelatine et des Caraïbes (Opalc)*, *études du CERI* n° 207-208, December (2014)

Diamint, Rut. "Regionalismo y posicionamientosuramericano: UNASUR y ALBA/Regionalism and South American orientation: UNASUR and ALBA." *Revista CIDOB d'afersinternacionals*(2013): 55-79.

⁵³⁷*ibidem*

⁵³⁸Brodzinsky, Sibylla. "Recession, retrenchment, revolution? Impact of low crude prices on oil powers", *theguardian.com*, 30th Dec. 2015, (2015), Available at: <https://www.theguardian.com/business/2015/dec/30/oil-iran-saudi-arabia-russia-venezuela-nigeria-libya>

company”⁵³⁹, as reported by the Guardian in 2015.⁵⁴⁰ The crisis is deeply intense: it has caused continuous popular protests, which have been violently stopped by the police in more than one occasion, and it has already undermined the country’s food supply.⁵⁴¹ The general crisis has seriously threatened Maduro’s presidency and his attention to foreign policy issues may be diminished to pay more attention to the domestic problems.

As has been already mentioned, the Pink Tide’s rise has halted with a series of elections that have seen right-wing parties victorious. The election of Macri in Argentina not only represented the conclusion of 12 years of “Kirchnerismo”, but it is also the most remarkable example of the end of an era led by left-wing governments.⁵⁴² After his election, on November 23th 2015, he promised to introduce more business-friendly policies, to depart from the historical alliance with Venezuela in order to privilege more economically feasible alternatives, among others, strengthening relations with the EU and the United States.⁵⁴³ After only 100 days of office the newly elected president has already implemented some important economic policies that would end the isolation of Argentina and open it to the foreign markets.⁵⁴⁴ He has hosted several western leaders to seal his commitment to Argentina’s internationalization and debt normalization: Obama, Matteo Renzi and François Hollande enthusiastically met Macri.⁵⁴⁵

If Argentina is facing a period of enthusiasm and stability thanks to its new president, who normalised relations with the West and promised to boost the economy, it is not possible to say the same for Brazil. From January 2016 president Dilma Rousseff faced several accusations, from stealing billions of dollars from Petrobras to corruption and creative public accounting that enabled the president, and her executive, to spend more public money without accounting for it on the national budget.⁵⁴⁶ On May 12th 2016 the Brazilian senate impeached President Rousseff and the political crisis faced by the country raised concerns on

⁵³⁹ibidem

⁵⁴⁰ibidem

⁵⁴¹Lopez, Virginia. “Venezuela: Oil shock and economic catastrophe”, aljazeera.com, 15th Jun 2016, (2016) Available at: <http://www.aljazeera.com/news/2016/06/venezuela-oil-shock-economic-catastrophe-160614130940449.html>

⁵⁴²Watts, Jonathan; and Goñi, Uki. “Argentina shifts to the right after Mauricio Macri wins presidential runoff”, theguardian.com, 23rd Nov 2015, (2015) Available at:

<https://www.theguardian.com/world/2015/nov/22/argentina-election-exit-polls-buenos-aires-mauricio-macri>

⁵⁴³ibidem

⁵⁴⁴Candia, Maria. “Can Mauricio Macri Save Argentina’s Economy?”, foreignpolicy.com, 24th Mar. 2016, (2016) Available at: <http://foreignpolicy.com/2016/03/24/can-mauricio-macri-save-argentinas-economy-obama-kirchner/>

⁵⁴⁵ibidem

⁵⁴⁶Gallas, Daniel. “Dilma Rousseff impeachment: How did it go wrong for her?”, bbc.com, 12th May 2016, (2016) Available at: <http://www.bbc.com/news/world-latin-america-36028247>

a possible military coup due to the involvement of the whole executive in the scandal.⁵⁴⁷ After the suspension of Dilma Rousseff, Michel Temer has taken the Brazil's presidency: he has promised to fight against the political corruption in the country and implement new economic policies favourable to local business and foreign investors.⁵⁴⁸ The various scandals and internal crises faced by the Brazilian, Venezuelan and Argentinian^{xix} governments threatened the survival of the "Pink Tide" and reduced their willingness and trustfulness to lead the social revolution in Mercosur.

4.3 Competing regionalism in Latin America and the re-emergence of neoliberalism

Starting from the late 2000s the success of regional cooperation in Latin America and the different interpretation of its scopes and purposes pushed the countries of the region to envisage new forms of cooperation based on various principles and composition.⁵⁴⁹ The most relevant regional agreements experimented by South American countries, such as ALBA and UNASUR, have already been discussed in the previous chapters. Besides the two experiences, respectively led by Venezuela and Brazil, it is worth mentioning another two alliances in the region: CELAC and the Pacific Alliance.

As has been already discussed, the creation of ALBA, under the leadership of Hugo Chavez and Fidel Castro, is mainly due to its members' opposition to the post-Cold War regional projects based on neoliberalism and it consequently promoted a different type of regional experience founded on: mutual assistance, energy programs and social development.⁵⁵⁰ Therefore, the rise of this Bolivarian alternative or socialism of the XXI century raised some concerns in the Brazilian leadership, which reacted with the promotion of another regional

⁵⁴⁷Watts, Jonathan; and Goñi, Uki. "Argentina shifts to the right after Mauricio Macri wins presidential runoff", *theguardian.com*, 23rd Nov 2015, (2015) Available at:

<https://www.theguardian.com/world/2015/nov/22/argentina-election-exit-polls-buenos-aires-mauricio-macri>

⁵⁴⁸Frazer, Raiesa; and Piva, Aline. "The Temer Administration and the Threat to the Southern Regional Integration Process", Council on Hemispheric Affairs, 20th Jul 2016, (2016) Available at:

<http://www.coha.org/the-temer-administration-and-the-threat-to-the-southern-regional-integration-process/>

⁵⁴⁹Santander, Sebastian. "Competing Latin American Regionalism" in Telò, Mario, ed. *European Union and new regionalism: competing regionalism and global governance in a post-hegemonic era*. Ashgate Publishing, Ltd., 2014.

⁵⁵⁰Corrales, Javier, and Michael Penfold. *Dragon in the Tropics: Venezuela and the Legacy of Hugo Chavez*. Brookings Institution Press, 2015.

project to include Venezuela under its control: UNASUR, that encourages political and social cooperation among its members.⁵⁵¹ Behind the decision of including Venezuela in Mercosur there is probably main strategic thinking.⁵⁵²

However, with the creation of CELAC, Community of Latin American and Caribbean States, in 2011, the whole region has gathered in a common regional project that has the aim to develop political cooperation among its 31 members.⁵⁵³ The organization is openly inspired by the lessons drawn by Hugo Chavez and Fidel Castro of promoting social justice and equality in the region.⁵⁵⁴ As the two aforementioned experiences, CELAC represents the rise of post-neoliberalism or counter-liberalism strategies in the region.⁵⁵⁵ The “Pink Tide” governments, in particular Venezuela’s Hugo Chavez and Brazil’s Lula, envisaged a new type of regional integration in the region based on a social and political platform to contrast the previous neoliberal experiences in the region.⁵⁵⁶

However, the proliferation of regional organizations faced by South America can be understood as a negative phenomenon that shows the lack of political willingness in creating common and comprehensive regional projects.⁵⁵⁷ Therefore, the political convergence of the Latin American Pink Tide, largely explained in the first chapter, was not sufficient to overcome the nationalist aspirations of the countries in the region.⁵⁵⁸

As a matter of fact, the arrival of a revolutionary and alternative ideology on regional integration had a second negative effect: it exacerbated the already existing opposition between Caribbean and continental nations and Pacific countries.⁵⁵⁹ In 2011 Colombia, Peru, Chile and Mexico created a brand new regional project: the Pacific Alliance (PA).⁵⁶⁰ An injection of neoliberal purposes and strategies to foster economic growth as well as the promotion of free trade and development of economic integration inspired this project.⁵⁶¹ PA’s aims are clearly in contrast with those ideological purposes proposed by ALBA, as well

⁵⁵¹ibidem

⁵⁵²Carranza, Mario E. "MERCOSUR: The global, economic crisis and the new architecture of regionalism in the Americas." *FLACSO/LATN Working Paper* 125 (2010).

⁵⁵³"CELAC." Accessed August 14, 2016. <http://www.celacinternational.org/>.

⁵⁵⁴ibidem

⁵⁵⁵Yates, Julian S., and Karen Bakker. "Debating the ‘post-neoliberal turn’ in Latin America." *Progress in Human Geography* (2013): 0309132513500372.

⁵⁵⁶ibidem

⁵⁵⁷Santander, Sebastian. “Competing Latin American Regionalism” in Telò, Mario, ed. *European Union and new regionalism: competing regionalism and global governance in a post-hegemonic era*. Ashgate Publishing, Ltd., 2014.

⁵⁵⁸Ibidem

⁵⁵⁹ibidem

⁵⁶⁰"WHAT IS THE PACIFIC ALLIANCE?" Alianza Del Pacifico. Accessed August 14, 2016.

<https://alianzapacifico.net/en/que-es-la-alianza/#la-alianza-del-pacifico-y-sus-objetivos>.

⁵⁶¹ibidem

as the political goals promoted by CELAC and UNASUR.⁵⁶² On the contrary it shares some common characteristics with the original arrangement of Mercosur.⁵⁶³ Therefore, the Mercosur countries that are more in favour of a return to its original scopes have seen in PA a strategic partner to bond with: the manifestation of this increased interest is the observatory membership of Argentina, Paraguay and Uruguay to this new neoliberal project. In conclusion, the rise of this new project, that gathers a large number of observers from Europe to East Asia, could testify the resurgence of neoliberalism in South America.⁵⁶⁴

4.4 Inter-regionalism: the EU-Mercosur talks

In previous chapters the US influence on Latin America has been taken into account in order to evaluate LA foreign policy choices. However, EU and US are both exercising a strong influence on the region for different reasons and with different strategies.⁵⁶⁵ In particular, the US has opposed the development of regionalism and inter-regionalism in order to promote its national interest based on New American Imperialism, especially during Bush administration.⁵⁶⁶ However, even if several commenters have seen a demise of US hegemony during Obama administration, the democratic president has preserved some element of unilateralism in his foreign policy, which has developed new forms of collaboration through Free Trade Agreements (like the TTP and the TTIP).⁵⁶⁷ On the other hand, the European Union is promoting a divergent model, which has privileged inter-regional relations over bilateral talks.⁵⁶⁸ The organization has exercised its soft power and presence through

⁵⁶² Santander, Sebastian. "Competing Latin American Regionalism" in Telò, Mario, ed. *European Union and new regionalism: competing regionalism and global governance in a post-hegemonic era*. Ashgate Publishing, Ltd., 2014.

⁵⁶³ *ibidem*

⁵⁶⁴ *ibidem*

⁵⁶⁵ Hettne, Bjorn. "Interregionalism and World Order: the Diverging US and EU Models" in Telò, Mario (ed.) *European Union and New Regionalism: Competing Regionalism and Global Governance in a Post-Hegemonic Era*. Ashgate, Third Ed. (2014)

⁵⁶⁶ *Ibidem*

⁵⁶⁷ Watson, Allan. "US Hegemony and the Obama Administration: Towards a New World Order?". *Antipode* Vol. 42 No. 2, ISSN 0066-4812, pp 242–247, (2010)

⁵⁶⁸ Hettne, Bjorn. "Interregionalism and World Order: the Diverging US and EU Models" in *European Union and New Regionalism: Competing Regionalism and Global Governance in a Post-Hegemonic Era*. Ashgate, Third Ed. (2014)

multilateral dialogue with other regional bodies, such as ASEAN or Mercosur.⁵⁶⁹ For these reasons, the EU has been considered a “civilian power”.⁵⁷⁰ The US and EU interests in developing the above mentioned strategies were opposing: the US has been trying to weaken LA regionalism while the European Union has proposed a bloc-to-bloc dialogue, which have forced the South American countries to speak with one voice.⁵⁷¹

The inter-regional relations between the EU and Mercosur members have not yet been discussed, and they have been partially put aside in this work, in order to concentrate the attention on the evolution of Latin America regionalism. Nonetheless, the importance of EU-Mercosur relations cannot be undervalued. For these reasons, it is fundamental to underline the extreme importance of this agreement, since it would create the biggest free trade area in the world and it would represent the first trade deal between two customs unions.⁵⁷²

Behind the current talks there is a long journey of negotiations, which started in 1995 when the EU and Mercosur signed the Inter-regional Framework Cooperation Agreement (IFCA).⁵⁷³ IFCA confirmed the supportive attitude of the EU in Mercosur regional integration, creating a fundamental framework for future discussion on a huge variety of issues.⁵⁷⁴ After the conclusion of this first agreement in 1999, the two regional entities started to broadly cooperate after the first EU-Mercosur Bi-Regional Summit, which was organized in Rio in the same year.⁵⁷⁵ This comprehensive agreement has been associated with the “Rio Process”, which envisaged the creation of a strategic bi-regional deal between the EU and Mercosur.⁵⁷⁶ The inter-regional talks continued with different rounds in Madrid (2002), Guadalajara (2004) and Vienna (2006), where the two parties extended their collaboration on social issues.⁵⁷⁷ EU-Mercosur relations saw acceleration in the 2000s for two reasons: first, the EU feared that the conclusion of FTAA would have excluded a future cooperation with

⁵⁶⁹ *ibidem*

⁵⁷⁰ Telò, Mario. *L'Europa potenza civile*. Editori Laterza, (2004)

⁵⁷¹ Santander, Sebastian. “The European Partnership with Mercosur: a Relationship Based on Strategic and Neo-liberal Principles”. *Journal of European Integration*, 27:3, 285-306, (2005)

⁵⁷² Doctor, Mahrukh. “Why Bother With Inter-Regionalism? Negotiations for a European Union-Mercosur Agreement”, *Journal of Common Market Studies*, Volume 45. Number 2. pp. 281–314 (2007)

⁵⁷³ “Countries and regions – Mercosur”. Accessed August 14, 2016. <http://ec.europa.eu/trade/policy/countries-and-regions/regions/mercotur/>

⁵⁷⁴ Doctor, Mahrukh. “Why Bother With Inter-Regionalism? Negotiations for a European Union-Mercosur Agreement”, *Journal of Common Market Studies*, Volume 45. Number 2. pp. 281–314 (2007)

⁵⁷⁵ *Ibidem*

⁵⁷⁶ Santander, Sebastian. “The European Partnership with Mercosur: a Relationship Based on Strategic and Neo-liberal Principles”. *Journal of European Integration*, 27:3, 285-306, (2005)

⁵⁷⁷ Telò, Mario. “Between Trade Regionalization and Various Paths towards Deeper Cooperation” in Telò, Mario (ed.) *European Union and New Regionalism: Competing Regionalism and Global Governance in a Post-Hegemonic Era*. Ashgate, Third Ed. (2014)

Mercosur countries and secondly the failure of WTO talks pushed for an alternative strategy to multilateralism.⁵⁷⁸

However, the different interpretations and interests of the EU members have slowed Mercosur negotiations, which have been re-launched only in 2010 with the Madrid Summit.⁵⁷⁹ The comprehensive inter-regional agreement is still under discussion and, as has been explained before, the inclusion of Venezuela in the bloc has threatened its success. Therefore, the high politicization of Mercosur, due to the entrance of Venezuela, is hampering its future ability to conclude fruitful trade deal.

5. Conclusion

The first part of this chapter has deeply analysed the two different paths of ratification that could lead to the inclusion of Venezuela and Bolivia in Mercosur. Bolivian adhesion is still under discussion because it still needs the ratification of the Brazilian parliament to become fully effective. However, the two countries' experiences presented a clear difference: the Venezuelan ratification process was prolonged by a series of concerns regarding its democratic performances and the legality of its inclusion.

The main purpose of this chapter was to demonstrate whether the different strategic positions of Venezuela have had an impact on its ratification procedure. Therefore, the second part of this chapter was devoted to the analysis of the main challenges proposed by Chavez's diplomatic style and by Caracas' foreign policy, which could have negatively affected Caracas' inclusion in the bloc. In particular, the contrasting aims, purposes and strategies of Brazil and Venezuela have been put under deep scrutiny to envisage any point of conflict that could be seen as a reasonable cause of the late ratification. However, the strategic pragmatism of Brazilian leadership did not oppose either the challenging decisions taken by

⁵⁷⁸ Santander, Sebastian. "The European Partnership with Mercosur: a Relationship Based on Strategic and Neo-liberal Principles". *Journal of European Integration*, 27:3, 285-306, (2005)

⁵⁷⁹ "Countries and regions – Mercosur". Accessed August 14, 2016. <http://ec.europa.eu/trade/policy/countries-and-regions/regions/mercosur/>

Hugo Chavez, nor on the occasion of the Bolivian gas nationalization.⁵⁸⁰ Therefore, the hypothesis based on the strategic economic and political relevance of Venezuela is partially invalidated.

Nevertheless, the low democratic performances of the Chavist regime and the political pressure on the Paraguayan ratification have seriously slowed the process of inclusion of Chavez's Venezuela. Both Brazilian senate and Paraguayan parliamentary and executive branches were concerned about the low level of political and economic freedom in Venezuela, which contrasted with the democratic clause of the Treaty of Asuncion.⁵⁸¹ Therefore, Brasilia's senate repeatedly opposed the ratification protocol, whose vote was postponed in various occasions.⁵⁸² Nevertheless, the Brazilian parliamentary branch eventually ratified the Venezuelan full membership, while the Paraguayan government was threatened by the impeachment procedure against its president, Fernando Lugo.⁵⁸³ The strategic exclusion of Paraguay from the bloc gave the opportunity to the three other members to complete the ratification process and officially include Venezuela in the bloc.⁵⁸⁴ Since then, Paraguay has been continuing to raise concerns on the legality of the adhesion of Caracas, agreed in its absence, and has asked for its expulsion from the bloc until it reaches the basic democratic requirements.⁵⁸⁵

The third paragraph of this section was devoted to the consequent polarization and fragmentation caused by the inclusion of Venezuela in the bloc. As has already been mentioned, the inclusion of Venezuela produced a raising polarization in the bloc: on one side its supporters, namely Brazil and Argentina, on the other side Uruguay and Paraguay, which both try to secure from the bigger members hegemony in the bloc.⁵⁸⁶ However, the South American political scenario has profoundly changed after the election of Macri in

⁵⁸⁰Burges, Sean W. "Building a global southern coalition: the competing approaches of Brazil's Lula and Venezuela's Chávez." *Third World Quarterly* 28, no. 7 (2007): 1343-1358.

⁵⁸¹Jordan, Lucy. "Paraguay Out, Venezuela In: What Do Mercosur's Changes Mean for Brazil?", *Americas Quarterly*, 17th Jul. 2012, (2012) Available at: <http://www.americasquarterly.org/paraguay-out-venezuela-in>

⁵⁸²Goldzweig, Rafael Schmuziger. "A Entrada Da Venezuela No Mercosul: Análise Dos Aspectos Políticos E Econômicos." *Revista de Iniciação Científica em Relações Internacionais* 1, no. 1 (2013): 02-29.

⁵⁸³MercoPress. "Paraguay considers consulting the people whether 'to continue or not in Mercosur' ", *mercopress.com*, 2nd July 2012, (2012), Available at: <http://en.mercopress.com/2012/07/02/paraguay-considers-consulting-the-people-whether-to-continue-or-not-in-mercosur>

⁵⁸⁴El Universo "Mercosur suspende a Paraguay hasta nuevas elecciones e incorpora a Venezuela", *eluniverso.com*, 29th Jun. 2012, (2012) Available at: <http://www.eluniverso.com/2012/06/29/1/1361/mercosur-suspende-paraguay-hasta-nuevas-elecciones-incorpora-venezuela.html>

⁵⁸⁵Koerner, Lucas. "Brazilian Senate, Correa Back Venezuela as MERCOSUR President Pro Tempore", *venezuelanalysis.com*, 8th Aug 2016, (2016), Available at: <https://venezuelanalysis.com/news/12121>

⁵⁸⁶Cain, Eli; and Sato, Erika. "The Venezuela Problem: Hyper-Politicization and Fragmentation in Mercosur", *Council of Hemispheric Affairs* 7th Jul. 2016, (2016) Available at: <http://www.coha.org/the-venezuela-problem-hyper-politicization-and-fragmentation-in-mercosur/>

Argentina and the appointment of Temer in Brazil, after the impeachment of Dilma Rousseff. The two presidents share a series of common mind-sets such as: a renewed interest for more business friendly policies, a tendency to privilege market liberalization and a positive attitude towards the reconnection with the US and the European Union.⁵⁸⁷ Therefore, Mercosur setting and distribution of preferences has seen the isolation of Venezuela and a consequent instability in the bloc.⁵⁸⁸

The last paragraph underlined the strategic importance of EU-Mercosur relations. In particular, the polarization of Mercosur has produced a negative effect on the future establishment of a comprehensive inter-regional trade deal.

⁵⁸⁷Frazer, Raiesa; and Piva, Aline. "The Temer Administration and the Threat to the Southern Regional Integration Process", Council on Hemispheric Affairs, 20th Jul 2016, (2016) Available at: <http://www.coha.org/the-temer-administration-and-the-threat-to-the-southern-regional-integration-process/>

⁵⁸⁸Cain, Eli; and Sato, Erika. "The Venezuela Problem: Hyper-Politicization and Fragmentation in Mercosur", Council of Hemispheric Affairs 7th Jul. 2016, (2016) Available at: <http://www.coha.org/the-venezuela-problem-hyper-politicization-and-fragmentation-in-mercosur/>

Conclusion

The main aim of this study was to demonstrate that the obstacles Venezuela faced in its bid to join Mercosur were posed by the economic and political ramifications implicit in its membership, making the whole process more complex in comparison to Bolivia's relatively smooth path. Before explaining how Venezuela and Bolivia actually joined the organization, it was necessary to clarify that a fundamental shift in the aims and the types of projects proposed by *Mercado Comun del Sur* paved the way for their adhesion to the bloc. Indeed it is difficult to see why two countries like Venezuela and Bolivia, led by the leftist governments of Hugo Chavez and Evo Morales respectively, applied for full membership of Mercosur, a historically neoliberal organization aimed at establishing a common market among its members. Therefore, there were two hypotheses to demonstrate: the first one regarding the afore-mentioned shift in the organization necessary for the inclusion of Caracas and La Paz, while the second one concerned the economic, political and ideological meanings behind the inclusion of Venezuela.

The first chapter aimed at testing the first hypothesis: it evaluated the rise of the so-called Pink Tide in Latin America, which refers to centre-left and left governments taking power in the region.⁵⁸⁹ The chapter also explored the Pink Tide's effects on Latin American regionalism and in particular on Mercosur integration.⁵⁹⁰ The social focus implemented by Pink Tide governments was reflected in South American regional experiences, as the emergence of alternative regional agreements like ALBA and UNASUR has demonstrated.⁵⁹¹ Venezuelan and Brazilian leaderships played a key role in the realization of a new kind of regional organization, aimed at resolving the economic disparities existing between the countries involved and the internal economic inequalities affecting the region, together with other developmental and social issues.⁵⁹² On the one hand, the Bolivarian Alliance for the Peoples of Our America, led by Venezuela, established compensation mechanisms and

⁵⁸⁹ Pia Rigirozzi, *Reconstructing Regionalism: What does Development have to do with It?*, in Rigirozzi, Pía, and Diana Tussie, eds. *The rise of post-hegemonic regionalism: The case of Latin America*. Vol. 4. Springer Science & Business Media, 2012.

⁵⁹⁰ *ibidem*

⁵⁹¹ *ibidem*

⁵⁹² Diamint, Rut. "Regionalismo y posicionamientosuramericano: UNASUR y ALBA/Regionalism and South American orientation: UNASUR and ALBA." *Revista CIDOB d'afersinternacionals*(2013): 55-79.

projects directed at reducing the internal disparities among its members, privileging less developed countries.⁵⁹³ While on the other hand, the Union of South American Nations (or UNASUR), promoted by Brazil, privileged physical integration among its members through the implementation of common strategies and projects in different areas, such as security, infrastructures, communication and energy.⁵⁹⁴

The rise of left and centre-left governments in the region stimulated the creation of a generalised consensus over more socially oriented regional solutions. Brazilian and Argentinian leadership led this consensus in Mercosur, which underwent a consistent change in its aims and purposes. The presidencies of Lula in Brazil and the Kirchners in Argentina brought a considerable shift in the Mercosur agenda, which was re-oriented to cover more social and political issues. The two presidents converged over common regional strategies based on a new orientation for Mercosur, more sensitive to issues such as the reduction of inequalities, the compensation of disparities, democratic representation in the organization and social development.⁵⁹⁵ In particular, they promoted a large number of initiatives, among them the implementation of FOCEM (*Fondo para la Convergencia Estructural del Mercosur*) a convergence fund to finance social and economical projects with a multiplying effect on the economy of the participants, and the institution of Parlasur, the parliamentary institution of the organization.⁵⁹⁶

The implementation of a *Social Mercosur* had the effect of attracting the attention of Venezuela first and Bolivia a few years later. The two countries' leaders, who represented two of the main supporters of another type of regional experience (namely ALBA), were more favourable to the enforcement of a socially oriented regional agenda rather than to the implementation of neoliberal policies.⁵⁹⁷ Therefore, the original neoliberal orientation of Mercosur could have been perceived as being in contrast with their political and ideological positions. On more than one occasion Hugo Chavez asked for a renovation of Mercosur,

⁵⁹³Corrales, Javier, and Michael Penfold. *Dragon in the Tropics: Venezuela and the Legacy of Hugo Chavez*. Brookings Institution Press, 2015.

⁵⁹⁴Di Ruzza, Marco. *L'America Latina sulla scena globale: nuovi lineamenti geopolitici di un continente in crescita*, Rubbettino Editore, 2011

⁵⁹⁵Rigirozzi, Pia. "Reconstructing Regionalism: What does Development have to do with It?" in Rigirozzi, Pía, and Diana Tussie, eds. *The rise of post-hegemonic regionalism: The case of Latin America*. Vol. 4. Springer Science & Business Media, 2012.

⁵⁹⁶Vazquez, Mariana, "Debate sobre la integración regional en América del Sur a partir de un estudio de caso: la dimensión social del Mercosur", *Archivos de la Jornadas de Relaciones Internacionales* Vol. III (2012)

⁵⁹⁷Birns, Larry and Sanchez, Alex. "From Obscurity to Center Stage: the Architectonics of Bolivia's Foreign Policy" in Gardini, Gianluca, and Peter Lambert, eds. *Latin American foreign policies: between ideology and pragmatism*. Springer, 2016.

citing a hypothetical “New Mercosur”.⁵⁹⁸ This new orientation of the organization, operated mainly by Argentina and Brazil, facilitated the entrance of the two new countries into the bloc.⁵⁹⁹

The analysis conducted in this chapter has made references mainly to the official documents, declarations, decisions and reports contained in the Archives of Mercosur and other institutions (such as regional and international organizations, national governments and transnational networks), available online. The analysis of the documents and the decisions taken during the chosen period (2000-2011) by Mercosur’s members led to the identification of the most important initiatives and projects linked to the social shift operated in the organization. Various authors had already identified a social shift in Mercosur, as presented in this work. In particular, the analysis referenced the work of Gianluca Gardini, who identified a new era in the organization, during which Mercosur was in “search of a renewed identity”, as he described in 2011.⁶⁰⁰ Pia Rigorozzi and Diana Tussie recognised this fundamental shift more clearly, seeing it not only in Mercosur but also in other regional experiences in Latin America.⁶⁰¹ Their book “The Rise of Post-Hegemonic Regionalism – The Case of Latin America” is one of the main sources used in this work to analyse this social and Post-hegemonic shift in the regional experiences of the Southern cone.⁶⁰² On the other hand, Mariana Vazquez and José Briceño Ruiz in 2009⁶⁰³ and Raúl Bernal-Meza in 2008⁶⁰⁴ both acknowledged the common interests and the political convergence of Argentina and Brazil during Lula and Nestor Kirchner’s presidencies, which represented an important academic source to show the two presidents’ regional commitment in Mercosur.⁶⁰⁵ In particular, Mariana Vazquez and José Briceño Ruiz analysed the social dimension of the organization and enlisted some fundamental examples of socially oriented initiatives, to

⁵⁹⁸ Carranza, Mario E. "MERCOSUR: The global, economic crisis and the new architecture of regionalism in the Americas." *FLACSO/LATN Working Paper* 125 (2010).

⁵⁹⁹ Gardini, Gian Luca. "MERCOSUR: what you see is not (always) what you get." *European Law Journal* 17, no. 5 (2011): 683-700.

⁶⁰⁰ *ibidem*

⁶⁰¹ Rigorozzi, Pia, and Diana Tussie, eds. *The rise of post-hegemonic regionalism: The case of Latin America*. Vol. 4. Springer Science & Business Media, 2012.

⁶⁰² *ibidem*

⁶⁰³ Vazquez, Mariana, and José Briceño Ruiz. "O Mercosul na época de Lula e Kirchner: um balanço, seis anos depois." *Nueva Sociedad* (2009): 33-48.

⁶⁰⁴ Bernal-Meza, Raúl. "Argentina Y Brasil En La Política Internacional: Regionalismo Y Mercosur (estrategias, Cooperación Y Factores De Tensión)." *Revista Brasileira De Política Internacional*, Rev. Bras. Polit. Int. 51, no. 2 (2008): 154-78. doi:10.1590/s0034-73292008000200010.

⁶⁰⁵ Vazquez, Mariana, and José Briceño Ruiz. "O Mercosul na época de Lula e Kirchner: um balanço, seis anos depois." *Nueva Sociedad* (2009): 33-48 and Bernal-Meza, Raúl. "Argentina Y Brasil En La Política Internacional: Regionalismo Y Mercosur (estrategias, Cooperación Y Factores De Tensión)." *Revista Brasileira De Política Internacional*, Rev. Bras. Polit. Int. 51, no. 2 (2008): 154-78. doi:10.1590/s0034-73292008000200010.

which this study has made reference.⁶⁰⁶ Finally, a number of newspaper articles have been referenced to complete the description of the initiatives promoted and to illustrate the opinions of the main actors involved.

However, it is not possible to attribute Bolivia and Venezuela's application for membership purely to Mercosur's social shift. Consequently, the second chapter of this work focuses on the economic, political and strategic reasons behind the choice of Hugo Chavez and Evo Morales to apply to join. This section can be read in parallel to identify the differences and similarities between the two paths of ratification and the reasons behind the choice of becoming part of Mercosur. Two detailed timelines, containing the most relevant events, conferences and decisions, have been built to demonstrate the more troubled path experienced by Venezuela. As the chapter shows, the opposition raised by the Brazilian senate and the Paraguayan parliament troubled the Venezuelan ratification process.⁶⁰⁷

However, the two countries experienced not only different paths of inclusion but they also justified their choices with distinctive reasons and developed their own strategy to promote their application to Mercosur. The revolutionary ideological orientation of Hugo Chavez justified the inclusion of Caracas in the bloc as a part of a bigger regional project, which would have included the whole of Latin America in the same organization to fight the hegemonic interference of the United States.⁶⁰⁸ Moreover, the inclusion in Mercosur represented a consistent source of revenues. thanks to the fact that the Venezuela Oil industry privileged trade ties with its Brazilian and Argentinian counterparts.⁶⁰⁹ On the other hand, Evo Morales' foreign policy represented a fundamental shift for La Paz, as he privileged relations with South American countries and refused to collaborate with the US.⁶¹⁰ His political affinity with Hugo Chavez and his strategic use of the huge Bolivian natural gas resources further pushed La Paz towards Mercosur.⁶¹¹

The decision to join Mercosur was already pointed out by Chavez in his *Plan de Desarrollo Economico y Social de la Nacion 2001-2007*, which reoriented Venezuelan foreign policy to promote the Bolivarian ideology of the *caudillo*.⁶¹² However, the official presentation of the

⁶⁰⁶Vazquez, Mariana, and José BriceñoRuiz. "O Mercosulnaépoca de Lula e Kirchner: um balanço, seis anos depois." *Nueva Sociedad* (2009): 33-48.

⁶⁰⁷Di Ruzza, Marco. *L'America Latina sulla scena globale: nuovi lineamenti geopolitici di un continente in crescita*, Rubbettino Editore, 2011

⁶⁰⁸Kozloff, Nikolas. *Hugo Chávez: Oil, politics, and the challenge to the US*. St. Martin's Griffin, 2015.

⁶⁰⁹*Ibidem*

⁶¹⁰Denis Rolland, Joelle Chassin and others, *Pour comprendre le Bolivied'Evo Morales*, L'Harmattan, 2007

⁶¹¹ *ibidem*

⁶¹²RepublicaBolivariana de Venezuela, *LineasGenerales del Plan de Desarrollo Economico y Social de la Nacion 2001-2007*, September 2001

Venezuelan candidacy for full membership of Mercosur arrived in 2006, after an intensification of relations with the organization's members.^{xx} As has been presented in the second chapter, Hugo Chavez started a process of approaching Mercosur's members before the application, as well as during the ratification process. He decided to purchase Argentinian and Paraguayan bonds, presenting himself as the financial saviour of Latin America.⁶¹³ Moreover, he used the flourishing oil resources of his country to develop his personal "Oil diplomacy" policy, establishing broad-ranging economic cooperation with the state-led oil companies of Brazil and Argentina.⁶¹⁴ Finally, José Mujica presidency in Uruguay fostered the already strong ties between Montevideo and Caracas.⁶¹⁵

However, Hugo Chavez's revolutionary political style and foreign policy reflected his strong ideological orientation.⁶¹⁶ He fiercely opposed the neoliberal projects promoted by the US, for instance he strongly opposed the FTAA, which eventually led to the failure of the free trade agreement.⁶¹⁷ He presented several regional initiatives to promote his vision of regionalization, which entailed the reduction of social inequalities, the development of common infrastructures to foster economic and social growth and the exchange of oil to promote higher levels of development.⁶¹⁸ Some of these initiatives, such as PetroCaribe, PetroSur and ALBA promoted his pivotal role in the region and strengthened his country's ties with Latin America.⁶¹⁹ Mercosur countries' generalised support for some of these initiatives and their similarities with those implemented under *Mercosur Social* further showed the political and ideological proximity experienced during the rise of the Pink Tide in LA. However, the pivotal role of Hugo Chavez in Latin American regionalization challenged the historical hegemonic position of Brazil and presented some remarkable differences with the more moderate political style of the bloc, as has been presented in the last chapter.⁶²⁰

On the other hand, the temporal sequence that led to the inclusion of Bolivia cannot ignore the fact that Venezuelan membership was officially ratified in the same year that La Paz put

⁶¹³Burges, Sean W. "Building a global southern coalition: the competing approaches of Brazil's Lula and Venezuela's Chávez." *Third World Quarterly* 28, no. 7 (2007): 1343-1358

⁶¹⁴Kozloff, Nikolas. *Hugo Chávez: Oil, politics, and the challenge to the US*. St. Martin's Griffin, 2015.

⁶¹⁵MercoPress. "Mujica consolidates close trade and energy links with Venezuela", 8th Apr. 2010, (2010) Available at: <http://en.mercopress.com/2010/04/08/mujica-consolidates-close-trade-and-energy-links-with-venezuela>

⁶¹⁶Corrales, Javier, and Michael Penfold. *Dragon in the Tropics: Venezuela and the Legacy of Hugo Chavez*. Brookings Institution Press, 2015.

⁶¹⁷Kozloff, Nikolas. *Hugo Chávez: Oil, politics, and the challenge to the US*. St. Martin's Griffin, 2015.

⁶¹⁸Ibidem

⁶¹⁹Burges, Sean W. "Building a global southern coalition: the competing approaches of Brazil's Lula and Venezuela's Chávez." *Third World Quarterly* 28, no. 7 (2007): 1343-1358

⁶²⁰ibidem

forward its candidacy. Generally speaking, Morales' foreign policy was oriented to strengthen ties with Latin American countries and his special relationship with the Venezuelan president further improved Bolivian relations with the rest of the region.⁶²¹ The ideological and political orientation shared by the two presidents was visible during the inclusion of Bolivia in ALBA and after Chavez' strong support for the Bolivian nationalization of natural gas.⁶²² Evo Morales saw in Hugo Chavez and in his country's full membership of Mercosur two ways to strengthen economic ties with the region and to distance his country from the hegemonic control of the US, which, on the contrary, characterised his predecessors' foreign policy.⁶²³

On one hand, press articles were mainly used to analyse the strengthening of economic ties between the two applicants and the other members of Mercosur and the process of ratification experienced by Venezuela and Bolivia. On the other hand, regional, international and national institutions' web site represented another fundamental source of information to retrieve official reports and declarations to support the assessment of the reasons that led La Paz and Caracas applying for full membership.

The large literature on the Chavez regime was useful to identify the most important decisions and strategies undertaken by the Venezuelan president as well as to better acknowledge his political and ideological orientation on regional issues. For these reasons, the main sources used in this chapter on Venezuela were Marco di Ruzza's book⁶²⁴ on the Latin American international position, Peter Lambert's chapter⁶²⁵ on Venezuelan foreign policy contained in paper collection edited by the Gian Luca Gardini and Peter Lambert in 2011⁶²⁶, Nikolas Kozloff's book on Chavez's Oil Diplomacy⁶²⁷ and some chapters of a book by Javier Corrales and Michael Penfold⁶²⁸ on the main characteristics of Chavez's ideological orientation.

⁶²¹MejidoCostoya, Manuel. "Politics of Trade in Post - neoliberal Latin America: The Case of Bolivia." *Bulletin of Latin American Research* 30, no. 1 (2011): 80-95.

⁶²²Birns, Larry and Sanchez, Alex. "From Obscurity to Center Stage: the Architectonics of Bolivia's Foreign Policy" in Gardini, Gianluca, and Peter Lambert, eds. *Latin American foreign policies: between ideology and pragmatism*. Springer, 2016.

⁶²³Rolland, Denis, and Joëlle Chassin. *Pour comprendre la Bolivie d'Evo Morales*. Editions L'Harmattan, 2007.

⁶²⁴Di Ruzza, Marco. *L'America Latina sulla scena globale: nuovi lineamenti geopolitici di un continente in crescita*, Rubbettino Editore, 2011

⁶²⁵Lambert, Peter. "Dancing Between the Superpowers: Ideology, Pragmatism, and Drifts in Paraguayan Foreign Policy" in Gardini, Gianluca, and Peter Lambert, eds. *Latin American foreign policies: between ideology and pragmatism*. Springer, 2016.

⁶²⁶Gardini, Gianluca, and Peter Lambert, eds. *Latin American foreign policies: between ideology and pragmatism*. Springer, 2016.

⁶²⁷Kozloff, Nikolas. *Hugo Chávez: Oil, politics, and the challenge to the US*. St. Martin's Griffin, 2015.

⁶²⁸Corrales, Javier, and Michael Penfold. *Dragon in the Tropics: Venezuela and the Legacy of Hugo Chavez*. Brookings Institution Press, 2015.

Bolivian foreign policy was analysed through the seminal work⁶²⁹ edited by Denis Rolland, Joelle Chassin and others on Morales' presidency; the historical excursus contained in the chapter elaborated by Larry Birns and Alex Sanchez from the collection edited by Gian Luca Gardini and Peter Lambert in 2011 and finally Manuel MejidoCostoya's paper⁶³⁰ on the effect of post-neoliberal market orientation in Bolivia. In particular, the collection of papers edited by Gian Luca Gardini and Peter Lambert, titled "Latin America Foreign Policies: Between Ideology and Pragmatism", has been used in the second and the third chapter to highlight the ideological and pragmatic reasons orienting LA foreign policy.⁶³¹

The final findings of the second chapter highlight the different ratification paths experienced by the two countries on their bids to be included in Mercosur. Moreover, it points out the economic and strategic reasons behind the decision taken by La Paz and Caracas, showing a foreign policy more oriented toward pragmatism; it also explained the ideological orientation and political similarities between the two applicants and the social shift operated in Mercosur to show the strong ideological component of LA foreign policy as illustrated in Luca Gardini and Peter Lambert's book.⁶³²

In conclusion, the two countries had similar reasons and adopted similar strategies to become full members of Mercosur, involving the strategic use of their natural energy resources.⁶³³ Nonetheless, their ratification processes were dealt differently with by the bloc's members, even though Bolivian inclusion is still waiting for Brazilian confirmation, the Venezuelan path to Mercosur was far more troubled, due to the fierce opposition of both the Paraguayan and Brazilian parliaments.

The third and last chapter is completely devoted to investigating the reasons behind this remarkable difference in the processes of inclusion of Venezuela and Bolivia, the former being, as has already been mentioned, more troubled and contested than the latter. The main aim of this work was to explain why this difference occurred and the hypothesis proposed is that the strategic economic and political meaning of the inclusion of Venezuela slowed its ratification process, which means that the huge Venezuelan oil reserves and the strong

⁶²⁹Rolland, Denis, and Joëlle Chassin. *Pour comprendre la Bolivie d'Evo Morales*. Editions L'Harmattan, 2007.

⁶³⁰MejidoCostoya, Manuel. "Politics of Trade in Post-neoliberal Latin America: The Case of Bolivia." *Bulletin of Latin American Research* 30, no. 1 (2011): 80-95.

⁶³¹Gianluca, and Peter Lambert, eds. *Latin American foreign policies: between ideology and pragmatism*. Springer, 2016.

⁶³²*Ibidem*

⁶³³Birns, Larry and Sanchez, Alex. "From Obscurity to Center Stage: the Architectonics of Bolivia's Foreign Policy" in Gardini, Gianluca, and Peter Lambert, eds. *Latin American foreign policies: between ideology and pragmatism*. Springer, 2016 and Kozloff, Nikolas. *Hugo Chávez: Oil, politics, and the challenge to the US*. St. Martin's Griffin, 2015.

ideological orientation of Hugo Chavez was the cause of greater reluctance on the part of the Mercosur members. Therefore, after comparing the two ratification procedures, the chapter analyses the differences between the political orientation and style of Hugo Chavez and President Lula.

The decision to take into consideration Lula's Brazil is justified by the fact that the Brazilian president was hugely important in the regional integration of Latin American.⁶³⁴ He was one of the biggest supporters of Venezuelan inclusion; he led the regional integration of LA during his presidency through the strengthening of Mercosur and the creation of new regional initiatives (for instance UNASUR) and his foreign policy and regional strategies shared some characteristics with Chavez's Bolivarian alternative.⁶³⁵ Nevertheless, the two presidents' styles and political orientations clashed as the Bolivarian alternative shaped by Hugo Chavez openly challenged Brazilian leadership in the region.⁶³⁶ In particular, the pivotal role of Chavez's ideology in Latin American regional integration could have opposed Brazil's historical claim to leadership in the region.⁶³⁷

The main sources used to analyse the contraposition between Brazil and Venezuela were the famous article by Jorge G. Castañeda⁶³⁸, Steven Levitsky and Kenneth M. Roberts' book⁶³⁹ "Latin America's Left Turn" together with a paper by Sean W Burges⁶⁴⁰ on the competing approaches of the two countries. Jorge G. Castañeda's historical dichotomy between bad and good left in Latin America has been presented and integrated with the more exhaustive interpretation proposed by Steven Levitsky and Kenneth M. Roberts, which classify the left movements of LA in four different categories. These four categories provided a comprehensive classification of the phenomenon that allowed a deeper examination of the political variations present in the Pink Tide, highlighting the internal differences that could have caused diverging ideologies in the bloc.⁶⁴¹

⁶³⁴Burges, Sean W. "Building a global southern coalition: the competing approaches of Brazil's Lula and Venezuela's Chávez." *Third World Quarterly* 28, no. 7 (2007): 1343-1358.
Cameron, Maxwell A. "Latin America's Left Turns: beyond good and bad." *Third World Quarterly* 30, no. 2 (2009): 331-348.

⁶³⁵*ibidem*

⁶³⁶*ibidem*

⁶³⁷*ibidem*

⁶³⁸Jorge G. Castañeda, Latin America's Left Turn, Foreign Affairs, 1st May 2006, available at : <https://www.foreignaffairs.com/print/1110398>

⁶³⁹Levitsky, Steven, and Kenneth M. Roberts, eds. *The Resurgence of the Latin American Left*. JHU Press, 2013.

⁶⁴⁰Burges, Sean W. "Building a global southern coalition: the competing approaches of Brazil's Lula and Venezuela's Chávez." *Third World Quarterly* 28, no. 7 (2007): 1343-1358.

⁶⁴¹Levitsky, Steven, and Kenneth M. Roberts, eds. *The Resurgence of the Latin American Left*. JHU Press, 2013.

As has been described, the firm ideological orientation of Hugo Chavez included a marked dichotomy between two opposing factions: “one pro-Chávez, one pro-American”⁶⁴². This strong opposition could have raised some concern and opposition from the Mercosur countries and caused a delay in the ratification process.⁶⁴³ Sean Burges’ paper analysed the strong competition between Brazil and Venezuela to gain the leadership of the Southern cone as well as the political strategies employed by the countries’ leaders to obtain those aims.⁶⁴⁴ The comprehensive contributions of Steve Ellener⁶⁴⁵, Nikolas Kozloff⁶⁴⁶ and Diana Raby⁶⁴⁷ have been taken into account to describe regional competition between Caracas and Brasilia. A series of decisions and initiatives undertaken by the Venezuelan president have been presented in the section dedicated to the demonstration of the previously mentioned contraposition, among others PetroCaribe, the indiscriminate support of Bolivian gas nationalization and the Chavez’s social-power diplomacy (a concept elaborated by Javier Corrales and Michael Penfold in their book “Dragon in the Tropic: Venezuela and the Legacy of Hugo Chavez”).⁶⁴⁸

The main results from this section of the third chapter were linked to the Brazilian reaction against the challenging foreign policy of Caracas. In particular, Lula’s Brazil did not opt for a direct confrontation with Venezuela, instead the Brazilian leader chose to include the challenger in the regional experiments proposed, reaching broader arrangements where there was disagreement and underwriting the initiatives proposed by Chavez that met the Brazilian interests.⁶⁴⁹ Sean Bruges proposed this interesting interpretation of Brazilian strategic foreign policy in his paper “Brazil as Regional Leader: Meeting the Chávez Challenge”.⁶⁵⁰ Moreover, Lula’s Brazil aspired to conquer a prestigious role in world politics so his foreign policy went beyond the leadership of Latin America as some of his international initiatives have

⁶⁴²Jorge G. Castañeda, Latin America's Left Turn, Foreign Affairs, 1st May 2006, available at : <https://www.foreignaffairs.com/print/1110398> p. 6

⁶⁴³Burges, Sean W. "Building a global southern coalition: the competing approaches of Brazil's Lula and Venezuela's Chávez." *Third World Quarterly* 28, no. 7 (2007): 1343-1358

⁶⁴⁴ibidem

⁶⁴⁵Ellner, Steve. *Rethinking Venezuelan Politics*. Boulder: Lynne Rienner, 2008.

⁶⁴⁶Kozloff, Nikolas. Hugo Chávez: Oil, politics, and the challenge to the US. St. Martin's Griffin, 2015.

⁶⁴⁷Raby, Diana. “Venezuelan Foreign Policy under Chavez 1999-2010: The Pragmatic Success of Revolutionary Ideology?” in Gardini, Gianluca, and Peter Lambert, eds. *Latin American foreign policies: between ideology and pragmatism*. Springer, 2016.

⁶⁴⁸Burges, Sean W. "Building a global southern coalition: the competing approaches of Brazil's Lula and Venezuela's Chávez." *Third World Quarterly* 28, no. 7 (2007): 1343-1358 and Corrales, Javier, and Michael Penfold. *Dragon in the Tropics: Venezuela and the Legacy of Hugo Chavez*. Brookings Institution Press, 2015.

⁶⁴⁹Burges, Sean W. "Building a global southern coalition: the competing approaches of Brazil's Lula and Venezuela's Chávez."

⁶⁵⁰Burges, Sean W. "Brazil as regional leader: meeting the Chávez challenge." *Current History* 109, no. 724 (2010): 53.

demonstrated (such as the establishment of the G20, the implementation of cooperation forums with the other emerging powers and the request to obtain a permanent seat at the UN Security Council).⁶⁵¹ Therefore, the inclusion of Venezuela in Mercosur was part of a broader strategic decision that entailed the inclusion of Hugo Chavez in the regional integration of the Southern Cone.⁶⁵² Consequently, the hypothesis that was proposed is partially invalidated, as it is not possible to attribute the delay of the Venezuelan application to Chavez's revolutionary role in the region or to the oil-based economy of Caracas.

The alternative interpretation of the research question presented in this work included the democratic low performances of the Chavist regime and the Paraguayan domestic crisis. As has been presented in the third section of the last chapter, the Brazilian senate and the Paraguayan parliament raised intense opposition to the ratification of full Venezuelan membership of Mercosur. The Brazilian senate and Paraguayan parliament focused on the low democratic performance of the regime of Chavez that breached the democratic provisions laid by the Ushuaia Protocol (1996).⁶⁵³ Consequently, the vote concerning the ratification protocol on Caracas' inclusion was postponed to wait for a more favourable context.⁶⁵⁴ In Brazil the protocol was adopted in December 2009, while the political situation of Paraguay collapsed after the process of impeachment against president Lugo.⁶⁵⁵ Paraguayan opposition was overcome after its suspension from the organization, which has raised concerns over the legality of the inclusion of Venezuela that were lately officialised in 2012.⁶⁵⁶ In conclusion, it has been demonstrated that the delay in the ratification process was caused by the internal crisis faced by Paraguay and the democratic low performances of Hugo Chavez's regime.

The last paragraph of the third chapter pointed out that the inclusion of Venezuela increased polarization in the bloc: on one side its supporters, namely Brazil and Argentina, on the other side Uruguay and Paraguay, which both tried to secure from the larger members hegemony in

⁶⁵¹Burges, Sean W. "Building a global southern coalition: the competing approaches of Brazil's Lula and Venezuela's Chávez." *Third World Quarterly* 28, no. 7 (2007): 1343-1358

⁶⁵²*ibidem*

⁶⁵³Human Rights Watch. "Venezuela: Chávez's Authoritarian Legacy: Dramatic Concentration of Power and Open Disregard for Basic Human Rights", hrw.org, 5th Mar. 2013, (2013) Available at: <https://www.hrw.org/news/2013/03/05/venezuela-chavez-authoritarian-legacy>

⁶⁵⁴Goldzweig, Rafael Schmuziger. "A Entrada Da Venezuela No Mercosul: Análise Dos Aspectos Políticos E Econômicos." *Revista de Iniciação Científica em Relações Internacionais* 1, no. 1 (2013): 02-29.

⁶⁵⁵MercoPress. "Political deal in Paraguay to vote for Venezuela's incorporation to Mercosur", 30th Nov 2010, (2010) Available at: <http://en.mercopress.com/2010/11/30/political-deal-in-paraguay-to-vote-for-venezuela-s-incorporation-to-mercosur>

⁶⁵⁶El Universo "Mercosur suspende a Paraguay hasta nuevas elecciones e incorpora a Venezuela", *eluniverso.com*, 29th Jun. 2012, (2012) Available at: <http://www.eluniverso.com/2012/06/29/1/1361/mercosur-suspende-paraguay-hasta-nuevas-elecciones-incorpora-venezuela.html>

the bloc.⁶⁵⁷ In particular the Paraguayan government has continued to question the legality of the inclusion of Venezuela and asked to revise its application and status.⁶⁵⁸ Moreover, the Mercosur nations have asked Venezuela to comply with the fundamental rights protection laid down in the Ushuaia declaration.⁶⁵⁹

However, the South American political scenario has profoundly changed after the appointment of right and centre-oriented governments. In particular, Mercosur decision-making has been profoundly affected since the election of Macri in Argentina and the appointment of Temer in Brazil, after the impeachment of Dilma Rousseff.⁶⁶⁰ The Brazilian and Argentinean presidents share a common vision over the future developments of Mercosur, one which entails business friendly policies, further market liberalization and a positive attitude towards reconnection with the US and the European Union.⁶⁶¹ Therefore, Mercosur setting and distribution of preferences has seen the isolation of Venezuela and a consequent instability in the bloc.⁶⁶²

The organization is affected by an internal polarization caused by the opposing ideologies of its members. In particular, Mercosur is facing an internal struggle to isolate Venezuela from the organization's decision-making due to the domestic unstable situation of the country.⁶⁶³ Moreover, the anti-liberalisation ideological orientation shared by Nicolas Maduro, who naturally succeeded to Chavez after his death, has threatened the organization's negotiation with the EU.⁶⁶⁴ In fact, each country of Mercosur has the power to veto the decisions proposed during the CMC meetings and consequently annul the efforts employed to reach an

⁶⁵⁷Eli Cain & Erika Sato The Venezuela Problem: Hyper-Politicization and Fragmentation in Mercosur, Council of Hemispheric Affairs Jul 7th 2016, available at: <http://www.coha.org/the-venezuela-problem-hyper-politicization-and-fragmentation-in-mercosur/>

⁶⁵⁸Buenos Aires Herald. "Paraguayan Senate rejects Venezuela's entry to Mercosur", buenosairesherald.com, 24th Aug. 2012, (2012) Available at: <http://www.buenosairesherald.com/article/109662/paraguayan-senate-rejects-venezuela%E2%80%99s-entry-to-mercosur>

⁶⁵⁹MercoPress. "Brazil wants Venezuela out of the Mercosur rotating chair", mercopress.com, 3rd Jun. 2016, (2016) Available at: <http://en.mercopress.com/2016/06/03/brazil-wants-venezuela-out-of-the-mercosur-rotating-chair>

⁶⁶⁰Frazer, Raiesa; and Piva, Aline. "The Temer Administration and the Threat to the Southern Regional Integration Process", Council on Hemispheric Affairs, 20th Jul 2016, (2016) Available at: <http://www.coha.org/the-temer-administration-and-the-threat-to-the-southern-regional-integration-process/>

⁶⁶¹Raiesa Frazer and Aline Piva, The Temer Administration and the Threat to the Southern Regional Integration Process, July 20, 2016, Council on Hemispheric Affairs, available at: <http://www.coha.org/the-temer-administration-and-the-threat-to-the-southern-regional-integration-process/>

⁶⁶²Eli Cain & Erika Sato The Venezuela Problem: Hyper-Politicization and Fragmentation in Mercosur, Council of Hemispheric Affairs Jul 7th 2016, available at: <http://www.coha.org/the-venezuela-problem-hyper-politicization-and-fragmentation-in-mercosur/>

⁶⁶³MercoPress. "Brazil wants Venezuela out of the Mercosur rotating chair", mercopress.com, 3rd Jun. 2016, (2016) Available at: <http://en.mercopress.com/2016/06/03/brazil-wants-venezuela-out-of-the-mercosur-rotating-chair>

⁶⁶⁴ibidem

agreement.⁶⁶⁵ Moreover, even the approval of the organization is affected by a lack of enforcement of its decisions, as demonstrated by the continuous Venezuelan breach of the democratic clause.⁶⁶⁶ Furthermore, the strategic exclusion of Paraguay during the delicate last phases of Venezuelan inclusion led to a loss of credibility and it has further increased the level of hostility between the countries of the Mercosur bloc.⁶⁶⁷ Finally, the continuous violations of democratic order faced by Mercosur's countries, as for instance in Venezuela, are seriously jeopardizing the survival of the organization and are also challenging the effective functioning of the bloc.

In conclusion, the arrival of the Pink Tide in America Latina have partially deepened the regional experience of the area, multiplying the number of regional organization and widening the aims of the existing one. Moreover, the inclusion of two new members in Mercosur, namely Venezuela and Bolivia, represents a fundamental step in its history. However, the spread of an alternative type of regional organization has increase hostility and competition in the bloc, accentuating the existing gap between Pacific and Atlantic countries. Furthermore, the political instability and low democratic performances of Mercosur, embodied by Paraguay domestic crisis and Chavez's regime in Venezuela, have negatively affected the organization's credibility and effectiveness. Finally, even if the election of Macri in Argentina and the appointment of Temer in Brazil could revitalize the original aims of the organization, the internal polarization is hampering its correct functioning. The future of Mercosur has not been decided yet. Nonetheless, the organization will face a tumultuous period after the downfall of the Pink Tide and its short regional success.

⁶⁶⁵Cain, Eli; and Sato, Erika. "The Venezuela Problem: Hyper-Politicization and Fragmentation in Mercosur", Council of Hemispheric Affairs 7th Jul. 2016, (2016) Available at: <http://www.coha.org/the-venezuela-problem-hyper-politicization-and-fragmentation-in-mercosur/>

⁶⁶⁶MercoPress. "Brazil wants Venezuela out of the Mercosur rotating chair", [mercopress.com](http://en.mercopress.com/2016/06/03/brazil-wants-venezuela-out-of-the-mercosur-rotating-chair), 3rd Jun. 2016, (2016) Available at: <http://en.mercopress.com/2016/06/03/brazil-wants-venezuela-out-of-the-mercosur-rotating-chair>

⁶⁶⁷Jonathan Watts, Scandals, protests, weak growth: is Latin America's left in retreat?, The Guardian, March 22, 2015, available at: <https://www.theguardian.com/world/2015/mar/22/latin-america-left-tough-times-brazil-argentina-venezuela>

Notes

ⁱ Bolivian full membership is still under ratification

ⁱⁱ See chapter 2

ⁱⁱⁱ From original statement in Portuguese: “O governo brasileiro e o presidente da República do Brasil têm a mais perfeita convicção de que a boa relação entre a Argentina e o Brasil é a primeira para o sucesso do Mercosul” from Agência Brazil, Lula e Kirchner fazem discurso afinado sobre prioridade do Mercosul, 11/06/2003, available at: <http://memoria.ebc.com.br/agenciabrasil/noticia/2003-06-11/lula-e-kirchner-fazem-discurso-afinado-sobre-prioridade-do-mercosul>

^{iv} Mercosur is composed by countries that are characterized by profound differences at the geo-political and economic level.

^v Protocol of Ouro Preto (*Protocolo de Ouro Preto*) is one of the founding treaties of Mercosur. It was signed in 1994 in the city of Ouro Preto (Brazil) to complete the institutional framework of the organization created with the Treaty of Asuncion (1991)

^{vi} Hugo Chavez openly stated this position during his interview at CNN with Larry King in 2009, available at: <https://www.youtube.com/watch?v=hGtzb-PunXI>

^{vii} In 2006 Castañeda realized an article for Foreign Affairs, titled “Latina America’s Left Turn” that marked an important interpretation on the left shift in Latin American politics. The Mexican former foreign minister analysed this phenomenon distinguishing the “bad left” from the new “social democratic left”, which he described as the “right left”.

^{viii} The Pulp Mill Dispute started in 2006 when Argentina formally presented the case to the International Court of Justice. The case was based on the establishment of two pulp mills, one Spanish and the other Finnish, on the river Uruguay in 2003: Argentinian environmental activist organizations denounced the environmental risk of the two industrial plants. This case raised diplomatic tensions between the two countries that last until nowadays.

^{ix} Drug Enforcement Administration (DEA) is a US sponsored agreement on security and drug contraband in Latin America.

^x Original in Spanish: “*la idea es que seancréditosque fomenten la integración, por ejemplo, en la conectividad entre países, hacer empresas conjuntas e impulsar el desarrollo social y económico de la región*”

^{xi} In September 2008 Venezuela was affected by an internal crisis caused by the separatist movement from the province of the “Media Luna”, which sought to be independent from the motherland

^{xii} Denis Rolland, Joelle Chassin and others mentioned this term (the original version in French is “*axe du bien*”) in their book “Pour comprendre le Bolivie d’Evo Morales” published by L’Harmattan in 2007

^{xiii} from the original in Spanish: “*es el país más apto para continuar con la integración regional*”

^{xiv} from the original in Spanish: “*Se trata de que Bolivia no tenga que pagar precios ni perder conquistas que haya obtenido en sus negociaciones comerciales internacionales para poder ingresar al Mercosur. Contará en esto con todo el apoyo de Uruguay en el proceso de negociación de su ingreso*”

^{xv} Kurt Weyland and others described the Left turn in Latin America in their book “Leftist governments in Latin America: successes and shortcomings” distinguishing the LA political experiences in moderate and radical governments

^{xvi} Ivano Vargas Llosa in his article for The Washington Post, “Beware the Carnivores”, made a clear distinction between two types of Latin American governments: the carnivores and the vegetarians (available at: <http://www.washingtonpost.com/wp-dyn/content/article/2006/08/04/AR2006080401760.html>)

^{xvii} Hugo Chavez openly stated this position during his interview at CNN with Larry King in 2009, available at: <https://www.youtube.com/watch?v=hGtzb-PunXI>

^{xviii} From the original in Spanish: “*una interrupción del orden constitucional democrático y violatorio de la cláusula democrática constitutiva del Mercosur*” - El Universo, Mercosur suspende a Paraguay hasta nuevas elecciones e incorpora a Venezuela, [eluniverso.com](http://www.eluniverso.com), 29 June 2012, available at: <http://www.eluniverso.com/2012/06/29/1/1361/mercosur-suspende-paraguay-hasta-nuevas-elecciones-incorpora-venezuela.html>

^{xix} the Argentinian government under Cristina Kirchner faced several scandals such as: the mysterious death of Alberto Nisman, former prosecutor of the president, and corruption and money laundering.

^{xx} see chapter 3

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ANNEX:
ABSTRACT
VENEZUELA AND BOLIVIA JOIN MERCOSUR:
The Pink Tide and South American Regional Integration

This study summarizes a fundamental series of relevant issues regarding Latin American regional integration, focusing on the last two decades. In particular, its main aim is to investigate on the troubled ratification path followed by Venezuela to be included as full member in Mercosur. The strategic political and economic meaning of the inclusion of Caracas in the organization is considered as the major contributing factor to the significant delay that Venezuela faced.¹ The Bolivian process of inclusion in Mercosur is taken into consideration to build up a comparative framework, and better analyse the Venezuelan case. This work tries to demonstrate two distinctive research questions. First, it analyses the actions and reforms promoted in Mercosur during Kirchner and Lula' presidencies. Second, it discusses the different adhesion paths followed by Venezuela and Bolivia to obtain the full Mercosur membership.

The first chapter is dedicated to the analysis of the Pink Tide political innovations in LA regionalism, which particularly affected the scope and aims of the organizations born and reformed in this period of political change. In particular, Mercosur's agenda composition, aims and provisions are largely discussed and meticulously described. These fundamental reforms are taken into account, because they can be understood as one of the most attractive factors that pushed Venezuela and Bolivia to apply for the full membership of the organization, paving the way for their inclusion.

The second and third chapter are devoted to the discussion of the second research questions of this dissertation. The elaborated hypothesis demonstrates that the different treatment reserved respectively to the Venezuelan and the Bolivian requests to be part of Mercosur is caused by the higher economic, political and ideological meanings behind the inclusion of Venezuela. In particular, the second chapter focuses on the path followed by Caracas and La Paz to be included in Mercosur, underlining the interests of the two countries in becoming full member of the organization. However, before going on it is worth mentioning that there are two

¹ Pia Rigirozzi, *Reconstructing Regionalism: What does Development have to do with It?*, in Rigirozzi, Pia, and Diana Tussie, eds. *The rise of post-hegemonic regionalism: The case of Latin America*. Vol. 4. Springer Science & Business Media, 2012.

different interpretations on Venezuela annexation in Mercosur, as reported by Professor Carranza in “*Mercosur, the Global Economic Crisis, And the New Architecture of Regionalism in the Americas*”. The first interpretation saw Venezuelan inclusion as a way to limit the spread of the Chavist revolution and continue the promotion of trade liberalization in Latin America. On the contrary, the second explanation is the following: left and centre-left governments of Latin America have seen in the Bolivarian alternative proposed by Chavez a way to solve the bloc’s inequalities, poverty and economic issues.² Both justifications are taken into account, in particular during the analysis of Chavez and Lula foreign policies.

Lula’s Brazil is used as the main source of interpretation due to its strategic importance in LA regional integration. The analysis of the political strategies of Lula and Chavez is central in the third and last chapter, which highlight Venezuelan threats to the historical Brazilian leadership. In particular, the pivotal role of Chavez’s Bolivarian alternative in Latin American regional integration could be opposed to the historical Brazilian desire of headship in the region.³ Therefore, Brazilian support to Caracas membership is not easy to understand. This dissertation reflects on the reasons why the two leaders’ styles and objectives in foreign policy could be understood in opposition.

After having explained the main structure of this work, it is fundamental to highlight its major findings and explain its original conclusions. In particular, the answers to the two above mentioned research questions will be largely presented and discussed.

Starting from the first part, the proposed analysis has conducted to the reasoning and deductions explained in the conclusion. Consequently, some fundamental explanations need to be clarified before examining the two countries application to Mercosur. An important political shift in the organization, and more generally in Latin American politics, has paved the way for the inclusion of Venezuela and Bolivia in *Mercado Comun del Sur*.⁴ A short analysis of the effects of the Pink Tide in Latin America is deployed to demonstrate the existence of a meaningful alignment between Argentinian and Brazilian governments. As a matter of fact, it is difficult to imagine that two countries like Venezuela and Bolivia, led by leftist governments (guided respectively by Hugo Chavez and Evo Morales), have presented a

² Carranza, Mario E. "MERCOSUR: The global, economic crisis and the new architecture of regionalism in the Americas." *FLACSO/LATN Working Paper* 125 (2010).

³ Burges, Sean W. "Brazil as regional leader: meeting the Chávez challenge." *Current History* 109, no. 724 (2010): 53.

⁴ Ibidem

full-membership application to Mercosur, an historically neoliberal organization aimed at establishing a common market between its members. Consequently, the alignment between Nestor Kirchner and Luiz Inácio Lula da Silva, over a more socially oriented regional agenda, is considered one of the principal motivations for the inclusion of Caracas and La Paz.⁵

As it has been already pointed out, the first chapter focuses on the arrival of the Pink Tide in Latin America, which refers to the arrival to power of centre-left and left governments in the region. This political shift contributed to the re-shape of regionalist experiences and structure.⁶ The social focus implemented by the Pink Tide's governments was reflected in the South American regional experiences, as the emergence of alternative regional agreements like ALBA and UNASUR has demonstrated.⁷ Venezuelan and Brazilian leaderships were fundamental in the realization of a new kind of regional organization, aimed at resolving the economic disparities existing between its countries, the internal economic inequalities affecting the region as well as other developmental and social issues.⁸ On the one hand, the Bolivarian Alliance for the Peoples of Our America (ALBA), led by Venezuela, established compensation mechanisms and projects directed at reducing the internal disparities among its members, privileging less developed countries.⁹ On the other hand, the Union of South American Nations (or UNASUR), promoted by Brazil, privileged the physical integration among its members through the implementation of common strategies and projects in different areas, such as: security, infrastructures, communication and energy.¹⁰

Even if the principles and aims inspiring ALBA and UNASUR were different, it is interesting to notice some common features in the regional experiences developed in LA during the arrival of the Pink Tide. In particular, this shift operated in Latin America political orientation stimulated the creation of a generalised consensus over the need of regional solutions for social and political issues.¹¹ Even Mercosur, a regional organization openly inspired to neoliberal policies, was affected by this shift.

The presidencies of Lula in Brazil and the Kirchners (Néstor and Cristina) in Argentina brought a considerable shift in Mercosur's agenda, which was re-oriented to cover more

⁵ Ibidem

⁶ ibidem

⁷ ibidem

⁸ Diamint, Rut. "Regionalismo y posicionamiento suramericano: UNASUR y ALBA/Regionalism and South American orientation: UNASUR and ALBA." *Revista CIDOB d'afers internacionals* (2013): 55-79.

⁹ Corrales, Javier, and Michael Penfold. *Dragon in the Tropics: Venezuela and the Legacy of Hugo Chavez*. Brookings Institution Press, 2015.

¹⁰ Di Ruzza, Marco. *L'America Latina sulla scena globale: nuovi lineamenti geopolitici di un continente in crescita*, Rubbettino Editore, 2011

¹¹ Diamint, Rut. "Regionalismo y posicionamiento suramericano: UNASUR y ALBA/Regionalism and South American orientation: UNASUR and ALBA." *Revista CIDOB d'afers internacionals* (2013): 55-79.

social and political issues. For these reasons, it is important to underline the emergence of what has been called *Social Mercosur*, under which the organization developed a big number of initiatives with the specific aim to incorporate a social and political dimension to the bloc.¹² The two presidents, Lula and Néstor, have converged over common regional strategies based on a new orientation of the organization, more sensitive to issues such as:

reduction of inequalities, compensation of disparities, democratic representation in the organization and social development.¹³

The major findings of the first chapter demonstrate that the implementation of a *Social Mercosur* had the effect of attracting the attention of Venezuela first, and Bolivia several years after. The socio-political orientation of Mercosur, inaugurated by Lula and Kirchner, facilitated the entrance of the two new countries into the bloc.¹⁴ In particular, Hugo Chavez, who asked for a renovation of Mercosur in more than one occasion, found interesting this shift in the regional organization's aims and programs.¹⁵

Thanks to the Archives of Mercosur and some journalistic sources, available in various languages, it was possible to frame the organization developments and its major re-orientations. However, the social dimension of the organization was understood through the analysis developed by Mariana Vazquez, José Briceño Ruiz¹⁶ and Raúl Bernal-Meza¹⁷, who underlined this fundamental shift in the organization's agenda. Moreover, Pia Rigorozzi and Diana Tussie's book, "The Rise of Post-Hegemonic Regionalism – The Case of Latin America", more generally highlighted the social shift and Post-hegemonic shift in the regional experiences of the Southern cone, pointing out its main causes and effects.¹⁸ The original elaboration of academic sources and Mercosur archives, built in this dissertation, made possible the construction of a complete description of the promoted initiatives and the opinions of the main actors involved.

¹² Rigirozzi, Pia. "Reconstructing Regionalism: What does Development have to do with It?", in Rigirozzi, Pia, and Diana Tussie, eds. *The rise of post-hegemonic regionalism: The case of Latin America*. Vol. 4. Springer Science & Business Media, 2012.

¹³ Vazquez, Mariana, and José Briceño Ruiz. "O Mercosul na época de Lula e Kirchner: um balanço, seis anos depois." *Nueva Sociedad* (2009): 33-48.

¹⁴ Gardini, Gian Luca. "MERCOSUR: what you see is not (always) what you get." *European Law Journal* 17, no. 5 (2011): 683-700.

¹⁵ Carranza, Mario E. "MERCOSUR: The global, economic crisis and the new architecture of regionalism in the Americas." *FLACSO/LATN Working Paper* 125 (2010).

¹⁶ Vazquez, Mariana, and José Briceño Ruiz. "O Mercosul na época de Lula e Kirchner: um balanço, seis anos depois." *Nueva Sociedad* (2009): 33-48.

¹⁷ Bernal-Meza, Raúl. "Argentina Y Brasil En La Política Internacional: Regionalismo Y Mercosur (estrategias, Cooperación Y Factores De Tensión)." *Revista Brasileira De Política Internacional*, Rev. Bras. Polít. Int. 51, no. 2 (2008): 154-78. doi:10.1590/s0034-73292008000200010.

¹⁸ Rigirozzi, Pia. "Reconstructing Regionalism: What does Development have to do with It?", in Rigirozzi, Pia, and Diana Tussie, eds. *The rise of post-hegemonic regionalism: The case of Latin America*. Vol. 4. Springer Science & Business Media, 2012.

However, it is not possible to attribute the inclusion of Bolivia and Venezuela just to the social shift operated in Mercosur. Consequently, the second chapter of this work is focused on the economic, political and strategic reasons behind the choice of Hugo Chavez and Evo Morales to apply for the full membership. The case of Bolivian membership is presented to highlight the major difficulties that Venezuela met in joining Mercosur, which represents the central issue of this work. Therefore, the second section can be read in parallel to identify the differences and similarities between the two paths of ratification and the reasons behind the choice of becoming part of Mercosur. Two detailed timelines, containing the most relevant events, conferences and decisions, have been built to demonstrate the more troubled path experienced by Venezuela instead of proposing a classic comparative analysis.

The analysis of the two countries' experiences showed that Bolivia and Venezuela faced different paths of inclusion, with distinctive choices, reasons and strategies to promote their application in Mercosur. The revolutionary ideological orientation of Hugo Chavez reasoned the inclusion of Caracas in the bloc as a part of a bigger regional project, which would have included the whole Latin America in the same organization to fight the hegemonic interference of the United States.¹⁹ Moreover, the inclusion in Mercosur represented a consistent source of revenues for the bloc members since Venezuela Oil industry would have privileged trade ties with its Brazilian and Argentinian counterparts.²⁰

On the other hand, Evo Morales' foreign policy represented a fundamental shift for La Paz, as he privileged relations with the South American countries and refused to collaborate with the US.²¹ His political affinity with Hugo Chavez and his strategic use of the Bolivian huge natural gas resources further pushed the inclusion of La Paz in Mercosur.²²

The collection of papers edited by Gian Luca Gardini and Peter Lambert, titled "Latin America Foreign Policies: Between Ideology and Pragmatism", is used to highlight the ideological and pragmatic reasons orienting LA foreign policy.²³ Journalistic sources and official documents are taken into account to point out the different orientation of Morales and Chavez, to demonstrate the highly strategic decision of Venezuela in joining Mercosur. Moreover, Marco di Ruzza's book²⁴ on Latin American is fundamental to explain the region's international position and the relations between its countries and Venezuela. Nikolas

¹⁹ Kozloff, Nikolas. *Hugo Chávez: Oil, politics, and the challenge to the US*. St. Martin's Griffin, 2015.

²⁰ Ibidem

²¹ Denis Rolland, Joelle Chassin and others, *Pour comprendre le Bolivie d'Evo Morales*, L'Harmattan, 2007

²² ibidem

²³ Gianluca, and Peter Lambert, eds. *Latin American foreign policies: between ideology and pragmatism*. Springer, 2016.

²⁴ Di Ruzza, Marco. *L'America Latina sulla scena globale: nuovi lineamenti geopolitici di un continente in crescita*, Rubbettino Editore, 2011

Kozloff's book on Chavez's Oil Diplomacy²⁵ and some chapters of the book realised by Javier Corrales and Michael Penfold²⁶ are fundamental to understand the main characteristics of Chavez's ideological orientation. On the other hand, Bolivian foreign policy is analysed through the fundamental book²⁷ edited by Denis Rolland, Joelle Chassin and others on Morales' presidency; while the historical excursus contained in the chapter elaborated by Larry Birns and Alex Sanchez from the collection edited by Gian Luca Gardini and Peter Lambert in 2011 is fundamental to understand Bolivian application to Mercosur. Finally, Manuel Mejido Costoya's paper²⁸ was used to evaluate the effect of the post-neoliberal market orientation in Bolivia.

These academic and journalistic sources demonstrate that even if the majority of the Mercosur leaders sympathised for Chavez, their actual political agendas sometimes diverged.²⁹ Nevertheless, what has been pointed in this work is that, even if with some remarkable differences, Mercosur's leaders, in particular Lula and Néstor Kirchner, have seen in the inclusion of Venezuela in the organization a big opportunity to expand not only economic ties but also implement a new model development.³⁰

However, what resulted from LA foreign policy analysis is the fact that Hugo Chavez's revolutionary political style and foreign policy fiercely opposed the neoliberal projects promoted by the US.³¹ Therefore, the Venezuelan leader presented several regional initiatives to promote his alternative vision of the regionalization, which entailed: the reduction of social inequalities, the elaboration of common infrastructures to improve economic and social development, the exchange of oil to promote higher levels of development.³² Some of these initiatives, such as PetroCaribe, PetroSur and ALBA, promoted his pivotal role in the region and strengthen his country's ties with the Latin America.³³ The interesting conclusion that is drawn from this data is that the generalised participation of Mercosur countries to some of these initiatives, and their similarities with those implemented under *Mercosur Social*, further

²⁵ Kozloff, Nikolas. *Hugo Chávez: Oil, politics, and the challenge to the US*. St. Martin's Griffin, 2015.

²⁶ Corrales, Javier, and Michael Penfold. *Dragon in the Tropics: Venezuela and the Legacy of Hugo Chavez*. Brookings Institution Press, 2015.

²⁷ Rolland, Denis, and Joëlle Chassin. *Pour comprendre la Bolivie d'Evo Morales*. Editions L'Harmattan, 2007.

²⁸ Mejido Costoya, Manuel. "Politics of Trade in Post - neoliberal Latin America: The Case of Bolivia." *Bulletin of Latin American Research* 30, no. 1 (2011): 80-95.

²⁹ Pronko, Marcela. "Interview: Claudio Katz", *Trabalho, Educação e Saúde*, vol.8 no.2 Rio de Janeiro jul./oct. (2010)

³⁰ Carranza, Mario E. "MERCOSUR: The global, economic crisis and the new architecture of regionalism in the Americas." *FLACSO/LATN Working Paper* 125 (2010).

³¹ Kozloff, Nikolas. *Hugo Chávez: Oil, politics, and the challenge to the US*. St. Martin's Griffin, 2015.

³² Ibidem

³³ Burges, Sean W. "Building a global southern coalition: the competing approaches of Brazil's Lula and Venezuela's Chávez." *Third World Quarterly* 28, no. 7 (2007): 1343-1358

showed the political and ideological proximity experienced during the raise of the Pink Tide in LA in regional experiments.

However, the temporal sequence that led to the inclusion of Bolivia is highly important due to the fact that La Paz application arrived in the same year of the official ratification of Venezuelan membership. The ideological and political orientation shared by the two presidents, Morales and Chavez, was visible during the inclusion of Bolivia in ALBA and after the convicted support of Venezuelan *caudillo* to the Bolivian nationalization of natural gas against Brazilian opposition.³⁴ Evo Morales has seen in Hugo Chavez and in the full membership of Mercosur two ways to strengthen his countries' economic ties with the region and to take distance from the US hegemonic control of his nation, which on the contrary had characterised his predecessors' foreign policy.³⁵

The final findings of the second chapter are essential to draw the following conclusions: the two countries experienced similar reasons and developed analogous strategies to become full member of Mercosur, which involved the strategic use of their natural energy resources.³⁶ Nonetheless, the bloc's members differently reacted to their ratification processes: even if Bolivian inclusion is still waiting for the Brazilian confirmation, the Venezuelan path to Mercosur was far more troubled due to the fierce opposition of both Paraguayan and Brazilian parliament. The third chapter is completely devoted to investigate the reasons behind this remarkable difference.

The third and last chapter of this work compares the processes of inclusion of Venezuela and Bolivia showing an essential difference between the two: the former was, as it has been already mentioned, more troubled and contested rather than the latter. The main aim of this dissertation is to explain why this difference occurred and the proposed hypothesis entails the strategic economic and political meaning behind the inclusion of Venezuela. The huge Venezuelan oil reserves and the strong ideological orientation of Hugo Chavez caused a higher reluctance on the Mercosur members slowing the ratification process. In order to demonstrate this hypothesis the study was structured on the analysis of Chavez and Lula foreign policy strategies and orientations. (*)

³⁴ Birns, Larry and Sanchez, Alex. "From Obscurity to Center Stage: the Architectonics of Bolivia's Foreign Policy" in Gardini, Gianluca, and Peter Lambert, eds. *Latin American foreign policies: between ideology and pragmatism*. Springer, 2016.

³⁵ Rolland, Denis, and Joëlle Chassin. *Pour comprendre la Bolivie d'Evo Morales*. Editions L'Harmattan, 2007.

³⁶ Birns, Larry and Sanchez, Alex. "From Obscurity to Center Stage: the Architectonics of Bolivia's Foreign Policy" in Gardini, Gianluca, and Peter Lambert, eds. *Latin American foreign policies: between ideology and pragmatism*. Springer, 2016 and Kozloff, Nikolas. *Hugo Chávez: Oil, politics, and the challenge to the US*. St. Martin's Griffin, 2015.

The decision to take into consideration Lula's Brazil is justified by the fact that the Brazilian president had a huge importance in the regional integration of Latin American.³⁷ He led the regional integration of LA during his presidency through the strengthening of Mercosur and the creation of new regional initiatives (for instance UNASUR).³⁸ Moreover, Lula's foreign policy and regional strategies shared some characteristics with the Chavez's Bolivarian alternative.³⁹ For these reasons, Luiz Inácio Lula da Silva was one of the biggest supporters of Chavez's Venezuelan inclusion and so his political contribution needs to be taken into consideration. Nevertheless, the two president's styles and political orientations clashed as the Bolivarian alternative shaped by Hugo Chavez openly challenged the Brazilian leadership in the region.⁴⁰ In particular, the pivotal role of Chavez's ideology in Latin American regional integration could have opposed to the historical Brazilian desire of leadership in the region.⁴¹

The major findings of this last chapter are focused on the evaluation of three fundamental initiatives led by Venezuelan leadership, which confirmed the political and regional orientation of Mercosur's countries towards a more social agenda. These three initiatives, namely PetroSur, Tele Sur and Banco del Sur, were based on the same developmental and social grounds that characterized Chavez' strategy. They all provided a South American alternative to the US-led international projects and organizations and they can be understood as a way for Venezuela to gain a leading role in region.

The comprehensive academic contributions of Steve Ellener⁴², Nikolas Kozloff⁴³ and Diana Raby⁴⁴ have been taken into account to describe the regional competition between Caracas and Brasilia. A series of decisions and initiative undertaken by Venezuelan president have been presented in chapter three, to demonstrate the Chavez challenging. Among others there were: PetroCaribe, the indiscriminate support to Bolivian gas nationalization and the

³⁷ Burges, Sean W. "Building a global southern coalition: the competing approaches of Brazil's Lula and Venezuela's Chávez." *Third World Quarterly* 28, no. 7 (2007): 1343-1358.

Cameron, Maxwell A. "Latin America's Left Turns: beyond good and bad." *Third World Quarterly* 30, no. 2 (2009): 331-348.

³⁸ Burges, Sean W. "Building a global southern coalition: the competing approaches of Brazil's Lula and Venezuela's Chávez." *Third World Quarterly* 28, no. 7 (2007): 1343-1358.

³⁹ *ibidem*

⁴⁰ *ibidem*

⁴¹ *ibidem*

⁴² Ellner, Steve. *Rethinking Venezuelan Politics*. Boulder: Lynne Rienner, 2008.

⁴³ Kozloff, Nikolas. *Hugo Chávez: Oil, politics, and the challenge to the US*. St. Martin's Griffin, 2015.

⁴⁴ Raby, Diana. "Venezuelan Foreign Policy under Chavez 1999-2010: The Pragmatic Success of Revolutionary Ideology?" in Gardini, Gianluca, and Peter Lambert, eds. *Latin American foreign policies: between ideology and pragmatism*. Springer, 2016.

Chavez's social-power diplomacy (a concept elaborated by Javier Corrales and Michael Penfold in their book "Dragon in the Tropic: Venezuela and the Legacy of Hugo Chavez").⁴⁵

The Venezuelan threat to the Brazilian hegemonic role in South America is further analysed through the historic contraposition between Brazil and Venezuela built by the famous Jorge G. Castañeda's article.⁴⁶ The original framework realised in this chapter takes into account the analysis of Professor Castañeda's historical dichotomy between bad and good left in Latin America, which is presented and integrated with the more exhaustive interpretation proposed by Steven Levitsky and Kenneth M. Roberts.⁴⁷ However, Burges article "'Building a global southern coalition: the competing approaches of Brazil's Lula and Venezuela's Chávez" is fundamental to compare Lula and Chavez styles and objectives.⁴⁸ As it has been described, the firm ideological orientation of Hugo Chavez determined a strong dichotomy embodied by two opposing factions: "one pro-Chávez, one pro-American"⁴⁹. This strong opposition could have raised some concerns and hostility from the Mercosur countries and caused a delay in the ratification process.⁵⁰

The main results accomplished in chapter three are linked to the Brazilian reaction against the challenging foreign policy of Caracas. In particular, Lula's Brazil did not opt for a direct confrontation of Venezuela, instead the Brazilian leader chose for: including the challenging country in the regional experiments proposed, reaching broader arrangements in case of disagreement and joining to the initiatives proposed by Chavez that met the Brazilian interests.⁵¹ Therefore, the inclusion of Venezuela in Mercosur can be understood as part of a broader strategic decision that entailed the inclusion of Hugo Chavez in the regional integration of the Southern Cone.⁵² Consequently, the hypothesis that was proposed is partially invalidated, as it is not possible to attribute the delay of Venezuelan application to the Chavez's revolutionary role in the region or to the oil based economy of Caracas.

⁴⁵ Burges, Sean W. "Building a global southern coalition: the competing approaches of Brazil's Lula and Venezuela's Chávez." *Third World Quarterly* 28, no. 7 (2007): 1343-1358 and Corrales, Javier, and Michael Penfold. *Dragon in the Tropics: Venezuela and the Legacy of Hugo Chavez*. Brookings Institution Press, 2015.

⁴⁶ Jorge G. Castañeda, Latin America's Left Turn, Foreign Affairs, 1st May 2006, available at : <https://www.foreignaffairs.com/print/1110398>

⁴⁷ Levitsky, Steven, and Kenneth M. Roberts, eds. *The Resurgence of the Latin American Left*. JHU Press, 2013.

⁴⁸ Burges, Sean W. "Building a global southern coalition: the competing approaches of Brazil's Lula and Venezuela's Chávez." *Third World Quarterly* 28, no. 7 (2007): 1343-1358.

⁴⁹ Jorge G. Castañeda, Latin America's Left Turn, Foreign Affairs, 1st May 2006, available at : <https://www.foreignaffairs.com/print/1110398> p. 6

⁵⁰ Burges, Sean W. "Building a global southern coalition: the competing approaches of Brazil's Lula and Venezuela's Chávez." *Third World Quarterly* 28, no. 7 (2007): 1343-1358

⁵¹ Burges, Sean W. "Building a global southern coalition: the competing approaches of Brazil's Lula and Venezuela's Chávez."

⁵² *ibidem*

Consequently, an alternative interpretation of the research question is presented in this work, which includes the democratic low performances of Chavist regime and the Paraguayan domestic crisis. The Brazilian senate and the Paraguayan parliament raised intense opposition to the ratification of Venezuela full membership in Mercosur. Brazilian senate and Paraguayan parliament focused on the low democratic performance of the regime of Chavez that breached the democratic provisions laid by the Ushuaia Protocol (1996).⁵³ Consequently, the vote concerning the ratification protocol on Caracas' inclusion was postponed in order to wait for a more favourable context.⁵⁴ In Brazil the protocol was adopted in December 2009, while the political situation of Paraguay collapsed after the process of impeachment raised against president Lugo.⁵⁵ Due to the unstable political situation generated after the impeachment, Paraguay was suspended from Mercosur. The Paraguayan fierce opposition was overcome and Venezuela eventually obtained the full membership status. The controversial suspension raised concerns over the legality of the inclusion of Venezuela that was lately officialised in 2012.⁵⁶ Therefore, Paraguayan government has been questioning the legality of the inclusion of Venezuela since then and asked to revise its application and status.⁵⁷ Later on, the other Mercosur members have asked to Venezuela to comply with the fundamental rights protection laid down in the Ushuaia declaration.⁵⁸

In conclusion, the domestic crisis affecting Paraguay and the democratic low performances of Hugo Chavez's regime caused the delay in the ratification process. As a matter of fact, the original hypothesis presented in this work is consequentially rejected. However, the interpretation elaborated to answer to the second research question also contributes to highlight the major political developments of Mercosur after the inclusion of Venezuela.

Therefore, the last paragraph of chapter three is devoted to the analysis of the raised polarization produced by the inclusion of Venezuela. Mercosur has showed some elements of

⁵³ Human Rights Watch. "Venezuela: Chávez's Authoritarian Legacy: Dramatic Concentration of Power and Open Disregard for Basic Human Rights", hrw.org, 5th Mar. 2013, (2013) Available at: <https://www.hrw.org/news/2013/03/05/venezuela-chavez-s-authoritarian-legacy>

⁵⁴ Goldzweig, Rafael Schmuziger. "A Entrada Da Venezuela No Mercosul: Análise Dos Aspectos Políticos E Econômicos." *Revista de Iniciação Científica em Relações Internacionais* 1, no. 1 (2013): 02-29.

⁵⁵ MercoPress. "Political deal in Paraguay to vote for Venezuela's incorporation to Mercosur", 30th Nov 2010, (2010) Available at: <http://en.mercopress.com/2010/11/30/political-deal-in-paraguay-to-vote-for-venezuela-s-incorporation-to-mercosur>

⁵⁶ El Universo "Mercosur suspende a Paraguay hasta nuevas elecciones e incorpora a Venezuela", [eluniverso.com](http://www.eluniverso.com/2012/06/29/1/1361/mercosur-suspende-paraguay-hasta-nuevas-elecciones-incorpora-venezuela.html), 29th Jun. 2012, (2012) Available at: <http://www.eluniverso.com/2012/06/29/1/1361/mercosur-suspende-paraguay-hasta-nuevas-elecciones-incorpora-venezuela.html>

⁵⁷ Buenos Aires Herald. "Paraguayan Senate rejects Venezuela's entry to Mercosur", [buenosairesherald.com](http://www.buenosairesherald.com/article/109662/paraguayan-senate-rejects-venezuela%E2%80%99s-entry-to-mercosur), 24th Aug. 2012, (2012) Available at: <http://www.buenosairesherald.com/article/109662/paraguayan-senate-rejects-venezuela%E2%80%99s-entry-to-mercosur>

⁵⁸ MercoPress. "Brazil wants Venezuela out of the Mercosur rotating chair", [mercopress.com](http://en.mercopress.com/2016/06/03/brazil-wants-venezuela-out-of-the-mercosur-rotating-chair), 3rd Jun. 2016, (2016) Available at: <http://en.mercopress.com/2016/06/03/brazil-wants-venezuela-out-of-the-mercosur-rotating-chair>

fragmentation due to the fact that Caracas' supporters (Brazil and Argentina) and the bloc small states (Uruguay and Paraguay) have differently perceived the inclusion of a new state. The small states tried to secure from the bigger members hegemony in the bloc, while the most powerful states saw only the positive economic gain from Caracas' inclusion.⁵⁹

However, South American political developments have profoundly changed the governmental orientation of the bloc after the appointment of right and centre oriented presidents. In particular, Mercosur decision-making has been profoundly affected since the election of Macri in Argentina and the appointment of Temer in Brazil, after the impeachment of Dilma Rousseff.⁶⁰ The Brazilian and Argentinian presidents shared a common vision over the future developments of Mercosur, which entail: business friendly policies, further market liberalization and a positive attitude towards the reconnection with the US and the European Union.⁶¹ Therefore, Mercosur setting and distribution of preferences has seen the isolation of Venezuela and a consequent instability in the bloc.⁶²

In conclusion, this dissertation demonstrates that the political orientation of Latin American governments have profoundly influenced and shaped its regional experience. As the first part demonstrates, the political alignment resulted by the arrival of the Pink Tide has generated a re-orientation of regional aims and strategies towards a more socially concerned agenda. Moreover, the inclusion of Venezuela in Mercosur can be seen both as a strategic way to limit the expansion of the Bolivarian Alternative, as well as a convergence over Chavez's ideological framework and a departure from the US hegemony in the region.

However, Mercosur is currently affected by an internal polarization caused by the opposing ideologies of its members. The strategic exclusion of Paraguay during the delicate last phases of Venezuelan membership ratification has decrease the credibility of Mercosur and it has further increased the level of hostility among the countries of the bloc.⁶³ *Mercado Comun del Sur* is currently facing an internal struggle to isolate Venezuela from the organization's

⁵⁹ Eli Cain & Erika Sato The Venezuela Problem: Hyper-Politicization and Fragmentation in Mercosur, Council of Hemispheric Affairs Jul 7th 2016, available at: <http://www.coha.org/the-venezuela-problem-hyper-politicization-and-fragmentation-in-mercosur/>

⁶⁰ Frazer, Raiesa; and Piva, Aline. "The Temer Administration and the Threat to the Southern Regional Integration Process", Council on Hemispheric Affairs, 20th Jul 2016, (2016) Available at: <http://www.coha.org/the-temer-administration-and-the-threat-to-the-southern-regional-integration-process/>

⁶¹ Raiesa Frazer and Aline Piva, The Temer Administration and the Threat to the Southern Regional Integration Process, July 20, 2016, Council on Hemispheric Affairs, available at: <http://www.coha.org/the-temer-administration-and-the-threat-to-the-southern-regional-integration-process/>

⁶² Eli Cain & Erika Sato The Venezuela Problem: Hyper-Politicization and Fragmentation in Mercosur, Council of Hemispheric Affairs Jul 7th 2016, available at: <http://www.coha.org/the-venezuela-problem-hyper-politicization-and-fragmentation-in-mercosur/>

⁶³ Jonathan Watts, Scandals, protests, weak growth: is Latin America's left in retreat?, The Guardian, March 22, 2015, available at: <https://www.theguardian.com/world/2015/mar/22/latin-america-left-tough-times-brazil-argentina-venezuela>

decision-making due to the domestic unstable situation of the country.⁶⁴ This fragmentation shows that LA regional experience was negatively affected by its politicization, which is affecting its structure and functioning. For instance, the anti-liberalisation ideological orientation shared by Nicolas Maduro has been threatening the organization's negotiation with the EU, which has pushed Mercosur members to oppose Venezuela's presidency of the organization.⁶⁵ Moreover, even the provision set by the organization's treaties are affected by a lack of enforcement, as demonstrated by the Venezuelan continuous breach of the democratic clause, which is seriously jeopardizing the effective functioning of the bloc and challenging the future survival of the organization.

⁶⁴ MercoPress. "Brazil wants Venezuela out of the Mercosur rotating chair", [mercopress.com](http://en.mercopress.com), 3rd Jun. 2016, (2016) Available at: <http://en.mercopress.com/2016/06/03/brazil-wants-venezuela-out-of-the-mercotur-rotating-chair>

⁶⁵ *ibidem*