

International cooperation in Latin America

Latin America has a complex network of international organisations, some covering the whole area (ALADI), some the South American (UNASUR) or Central American (SICA) regions, and some particular sub-regions (Mercosur, CAN). The Pacific Alliance is especially oriented towards other areas of the world (Asia-Pacific). Some are more focused on trade (Mercosur, Pacific Alliance) and others on non-trade political aspects (UNASUR). (Caribbean organisations and other less structured forms of cooperation in the region are not covered here).

Evolution

The process of modern regional integration in Latin America started after the Second World War, with the aim of institutionalising cooperation between the countries of Central and South America outside the aegis of the United States. The UN [Economic Commission for Latin America \(ECLA/CEPAL\)](#), created in 1948, had an important role in promoting the first multilateral mechanisms, as part of its mission to 'promote economic and social development through regional and sub-regional cooperation and integration'. The first initiatives emerged in the 1950s and 1960s, with the [Organization of Central American States \(ODECA\)](#) and the [Central American Common Market \(MCCA\)](#), the [Latin American Free Trade Association \(ALALC\)](#), later transformed into [ALADI](#), and the [Andean Pact](#). These old agreements, encouraged by ECLA, promoted 'closed regionalism', with emphasis on liberalised intra-regional trade and the promotion of internal industrialisation in order to achieve import substitution within the region/sub-region, combined with regional protectionism.

A second wave of agreements started in the 1990s: the [Common Market of the South \(Mercosur, 1991\)](#), the transformation of ODECA and MCCA into the [Central American Integration System \(SICA\)](#) in 1991, and of the Andean Pact into the [Andean Community \(CAN\)](#) in 1997; this trend has continued with the creation of the [Pacific Alliance](#) in 2011. The aim of these agreements is to promote 'open regionalism', with not only a preferential element for regional members, but also taking into account the recent trend towards trade liberalisation and globalisation, opening the region or sub-region to the outside world.

Finally, a new kind of regionalism has emerged recently, represented by the [Union of South American Nations \(UNASUR\)](#), which is more focused on policies not directly related to trade liberalisation.

Current structures

The main regional/sub-regional organisations in Latin America today are the following:

Latin American Integration Association (ALADI)

Created in 1980 as the successor of ALALC, [ALADI](#) is a truly continental organisation comprising [13 members](#) (10 South American countries plus Mexico, Cuba and Panama). Its aim is to achieve a Latin American Common Market through the establishment of an area of economic preferences in the region. It also serves as an institutional and legal umbrella for regional integration. It is a classical intergovernmental organisation, with flexible and pragmatic integration objectives for the long term, which enables it to act as the framework and driver of other sub-regional processes. Its main political organs are the Council of Foreign Affairs Ministers, the Evaluation and Convergence Conference and the Committee of Representatives, as well as a General Secretariat.

Central American Integration System (SICA)

[SICA](#) was established in 1991 as [successor to ODECA](#). Its [members](#) are the six Latin Central American Countries, plus Belize and the Dominican Republic. Its main objective is to achieve the integration of Central America as a region of peace, liberty, democracy and development. The Central American Common Market (MCCA) has also been integrated into the SICA framework as a sub-system with its own Secretariat (SIECA).

SICA's main bodies are the Meeting of Presidents (with a rotating six-month Presidency), the Council of Ministers, the Executive Committee, the Central-American Parliament (Parlacen), a Consultative Committee, the Central American Court of Justice and the General Secretariat.

Common Market of the South (Mercosur)

[Mercosur](#) has its origins in various cooperation and economic integration projects between Argentina and Brazil and their close relations with Paraguay and Uruguay. Venezuela joined these four countries in 2012. It was established in 1991 and reformed in 1994. Mercosur's main objectives are the free movement of goods, services and factors of production, the introduction of a common external tariff and the adoption of a common trade policy towards third countries, the coordination of macroeconomic and various sectorial policies, and the harmonisation of national laws in relevant areas in order to strengthen the integration process. Mercosur's institutional framework is made up of the Council of the Common Market (supreme governing body), the Common Market Group (executive governing body), assisted by the Mercosur Trade Commission; a Parliament (Parlasur), a Dispute Settlement Mechanism, a Socio-Economic Consultative Forum and an Administrative Secretariat.

Andean Community (CAN)

The Andean Pact, established in 1969 between some less developed ALALC members with smaller markets, was modified in 1996, creating the [Andean Community](#). Its current members are Colombia, Ecuador, Peru and Bolivia. Its main objectives are to promote the development of its member states, employment generation and a regional integration process leading to the realisation of a common market. These are to be achieved through gradual harmonisation of economic and social policies and relevant national laws, the intensification of the sub-regional industrialisation process, an External Common Tariff and the development of the agricultural and agro-industrial sectors. The Andean Community's main organs are the Andean Presidential Council, the Andean Council of Foreign Affairs Ministers and the Commission of the Andean Community. It also has a Court of Justice, a Parliament (Parlandino) and a General Secretariat.

Union of South American Nations (UNASUR)

[UNASUR](#) has its roots in a Brazilian proposal for a South American Free Trade Area (1993) and the Initiative for the Integration of Regional Infrastructure in South America (IIRSA, 2000). The first pillars of this regional project were the coordination of national foreign policies, convergence of [CAN](#), [Mercosur](#), [Chile](#), [Guyana and Suriname](#) into a South American Free Trade Area, as well as cooperation and integration in the areas of energy and communications (through IIRSA). UNASUR was finally established in 2008. From the start, it has given preference to non-trade matters, thus posing no significant problem for the integration of Mercosur and CAN countries. Its general objective is to establish a space for integration and union among its peoples in the cultural, social, economic and political fields, prioritising political dialogue, social policies, education, energy, infrastructure, funding and the environment. Its main organs are the Council of Heads of State and Government, the Council of Ministers of Foreign Affairs, the Council of Delegates and the General Secretariat.

Pacific Alliance

The [Pacific Alliance](#) is a regional integration initiative created in 2011 by Chile, Colombia, Mexico and Peru. Its main objectives are to build an area of deep economic integration and move gradually towards the free movement of goods, services, capital and people; to promote growth, development and competitiveness in order to achieve greater welfare, overcome socio-economic inequality and improve social inclusion; and to become a platform for political articulation and economic and trade integration, projecting these strengths to the rest of the world, with a special focus on the Asia-Pacific region. Its main institutions are the Summit of Presidents, the Council of Ministers, the High Level Group and the Technical Groups and Subgroups. There is a Presidency rotating annually. In order to become a member, a country must have free trade agreements with all Alliance member countries. It is more outward-oriented, and is also proving to be more dynamic, than other integration processes.

During the seventh parliamentary term, the EP explicitly supported the [trade negotiations with MERCOSUR](#) (2013), reiterating the importance of including respect for democratic principles and human and fundamental rights. In 2012, it gave its consent to the [Association Agreement with Central America](#). It also supported the [EU strategy](#) for relations with Latin America. In 2010, stressing the global importance of this bi-regional strategic partnership.