

## **The institutionalization process of border integration in Mercosur (2003-2015): regional uncoordinated attempts toward social development**

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### **Résumé :**

Cet article vise à analyser la création d'organismes institutionnels relatifs à l'intégration frontalière au sein du Mercosur. Il vise aussi à analyser les résultats de la dynamique institutionnelle du Mercosur favorisant l'intégration frontalière. La compréhension du caractère des institutions du Mercosur et de sa dynamique d'institutionnalisation est un facteur analytique clé pour appréhender ce processus politique complexe. En conduisant une analyse documentaire et bibliographique, l'article a constaté que l'impossibilité d'atteindre le consensus, le manque de coordination et l'existence de problèmes de communication interne ont entravé l'intégration frontalière. En outre, la reproduction du caractère intergouvernemental du Mercosur au fonctionnement des organismes responsables de la matière a empêché n'importe quel processus d'approfondissement d'intégration frontalière.

### **Abstract :**

This article aims at analyzing the creation of institutional bodies in Mercosur concerning border integration. It also aims at analyzing the outcomes of Mercosur's institutional dynamics for the furthering of border integration. Understanding the character of Mercosur's institutions and institutionalization dynamics is a key analytical factor for the comprehension of this political process. By conducting a documental and bibliographical analysis, the article found that the impossibility to reach consensus, the lack of coordination and the existence of internal communication problems hindered border integration. Moreover, the replication of the intergovernmental character of Mercosur at the functioning of the bodies responsible for the matter impeded any deepening process of border integration.

## **Introduction**

In the last decade, border integration became a matter of regional politics in South America<sup>1</sup>. The subcontinent witnessed the emergence of many negotiations and the engenderment of several agreements on the matter, particularly in the scope of Mercosur, but also beyond it.

This 'top-down' regional process requires a detailed look at the formation of institutions within Mercosur concerning border integration *in the logic of the institutional framework of Mercosur itself*. Understanding the character of Mercosur's institutions and institutionalization processes can help make an in depth examination of the construction of such institutional bodies.

In order to do this, the present article will be divided as follows: firstly, basic conceptual clarifications

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and the development of the research problem will take place. Secondly, the work will concentrate on the creation of an analytical framework based on Mercosur's institutional character. The next two sections will analyze the institutionalization processes of border integration in Mercosur for the period studied. Lastly, conclusions will close the investigation.

## **Conceptual clarifications and research problem**

The so-called reinvention of Mercosur in the last decade emphasized the social and political perspective of regional integration, giving space to development policies within the organism<sup>2</sup>. This means a new look at borders and border regions, giving the fact that those regions are among the poorest and underdeveloped areas of all Mercosur's members. The subsequent decision to approach intra-bloc asymmetries also gained relevance and transversality, which likewise made borders subject to political interest.

The participation of different actors (public and private) of diverse levels (subnational, national, and transnational) in the political dynamics that embed both regional integration processes and the reality at the border also stresses the importance of border integration to Mercosur. Border integration here must be understood as a (non-linear) political process between authorities of all levels of jurisdiction cooperating across frontiers. Whilst subnational entities can play a central role at local-scale cooperation (bottom-up integration), national and regional entities can incorporate local practices and collaborate with local authorities by constructing (top-down) integration in a border region.

More specifically, border integration implies cross-border cooperation, but cross-border cooperation does not entail border integration *per se*. In other words, local level (subnational) cross-border cooperation agreements tend to be limited by the scope of bi-national or transnational arrangements. If Brazil and Uruguay, for instance, did not further cooperation at the highest level by creating the Brazil-Uruguay High Level Group (HLG), in 2013, to decrease legal, regulatory, and operational difficulties, many areas of local level cooperation would still be in informality. Hence, border integration involves more than just cooperation in local level; it implicates coordinated actions from all instances of the state, regional organisms, and society.

It is important, moreover, to emphasize the relation between local-level border cooperation and regional integration<sup>3</sup>. Rhi-Sausi and Coletti<sup>4</sup> consider it as bi-univocal, that is, a relation that connects both processes to one another on the basis of one of the two. The authors go on explaining,

Firstly, cross-border cooperation between local authorities contributes to the integration process, through 'bottom-up', day-to-day integration among citizens in different national territories. Secondly, the integration process stimulates local cross-border cooperation, thanks to the processes that activate it and its political and institutional reference framework<sup>5</sup>.

In other words, borders, here defined as international limits between states, lie in the center of regional integration processes, as they represent the point of contact of different states. This contact generates an intricate space - the border region - in which national and subnational governments share responsibilities and jurisdictions, and in which regional organisms play a role of creating norms and of facilitating (or hindering) local processes of cooperation and/or integration<sup>6</sup>.

Since the beginning of Mercosur, borders have been subject to policies that affected and rendered more complex the lives of local populations. On the one hand, the members of the bloc started

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understanding borders less in terms of security and militarization. On the other hand, they started seeing them more in terms of new ways of control of people, goods, and symbols, filling up the historical institutional emptiness that once characterized border regions in the continent<sup>7</sup>.

In the turn of the century, however, the rise of governments of progressive sensibilities throughout South America profoundly changed Mercosur's objectives, increased politicization of intra-bloc relations, and emphasized social dynamics of the integration process<sup>8</sup>. In the decision that created the Consultative Forum of Municipalities, Federated States, Provinces and Departments of Mercosur (FCCR) in the scope of the Common Market Council (CMC), in 2004, the bloc acknowledged the consequences of such changes: "the development of the integration process has a growing political dimension, which requires coordinated and systematic actions of all actors involved in it"<sup>9</sup>.

Given the multifaceted character of borders and border regions and the prevalence of political and social dynamics in Mercosur in the last decade, it is relevant to raise some questions. Firstly, how did Mercosur incorporate within its institutions its borders and border regions from a border integration viewpoint? Was it coordinated? Secondly, what are the limits and potentialities imposed by the institutionalization process for both border integration and regional integration in Mercosur, particularly in the period of its institutional change (2003-2015)?

In order to answer these questions, this paper aims at examining the creation of institutional bodies in Mercosur regarding border integration in the light of the institutional character of the regional organism. It also aims at analyzing the outcomes of the institutionalization dynamics for the furthering of border integration.

## **Mercosur's institutions and institutionalization**

Before analyzing the process of institutionalization of borders and border regions in the scope of Mercosur, it is important to understand the character of Mercosur as an institution in its own terms. The perspective of the 'ideal Mercosur' tends to enforce the European model and to assess the organism's accomplishments *vis-à-vis* its original objectives of creating a common market. The failure of Mercosur becomes thus unambiguous. In order to make an institutional evaluation, the approach of the 'real Mercosur', on the other hand, takes into consideration both the accomplishments of the regional organization with regard to intra-bloc cooperation - from the signing of the Asunción Treaty to these days - and the reality of the prevailing asymmetries among its members<sup>10</sup>. Hence, more relevant than discussing the 'ideal Mercosur' (and the necessity of institutional reforms) is understanding the 'real Mercosur' and the actual dynamics involved in its complex institutionalization processes<sup>11</sup>.

The intergovernmental foundation on which Mercosur is based generated juridical incertitude concerning the hierarchy of laws among the bloc's parties. The institutional structure of Mercosur and its interstate logic created conditions in which national interests regularly overpower common positions<sup>12</sup>. Also, the active role of the State toward fighting inequality and underdevelopment - characteristic of Mercosur's change of the last decade<sup>13</sup> - intensified the already strong presidentialist character of the bloc<sup>14</sup> and made the regional organism even more reliant on intergovernmental diplomacy and negotiation.

Moreover, the 'left turn' (or 'pink wave') in South America - responsible for the reinforcement of the role of the State - strengthened not only regionalist projects, but also nationalist strategies

that competed as interesting views for the solution to underdevelopment<sup>15</sup>. In other words, in the period analyzed, Mercosur suffered an overload of distinct political plans and strategies, each one with its own interests regarding how to tackle underdevelopment in border regions.

Lastly, but likewise important for analyzing Mercosur's institutions and the institutionalization processes within it, is the fact that the member's historical and constant search for autonomy on international politics<sup>16</sup> weakened the possibility for deep institutional changes in the bloc. Consequently, in the last decade, Mercosur managed to modify its institutions only qualitatively, that is, it changed the purely economic scope of the Asunción Treaty, broadening it to fit social and political purposes. Any structural changes (or 'institutional reforms'), which could possibly undermine the parties' autonomy on any matter, did not shape the agenda of the regional organism.

The scenario of complex interstate negotiation in Mercosur gave its institutionalization process some particularities. Two different yet intertwined dynamics in Mercosur's institutionalization process molded the way the organization produced institutional changes: i) the 'incorporation flow', based on the rise of certain national interests regarding regional matters, and the historical construction of bilateral agreements; and ii) the 'internalization flow', based on Mercosur's established norms, financial resources, and discussion forums.

### **The incorporation flow**

The incorporation flow of the institutionalization process is characterized by the launch of national policies concerning regional issues, and the signing of bilateral agreements regarding matters analogous to other members of the bloc. Almeida stresses the importance of the bilateral phase of the Mercosurian 'pre-history', in which Brazil and Argentina built consensus toward bilateral integration and further enlargement of the accords signed<sup>17</sup>. In other words, bilateral agreements are in the DNA of Mercosur and continued to play a central role in the development of the regional organization.

Especially during the period of 2003-2015, national policies and bilateral agreements aimed particularly at strategies toward social development. The incorporation flow thus streamed from the interests of one or more members to the discussion and elaboration of alternatives within Mercosur. In order to be implemented or accepted by other parties within the bloc, the incorporation process usually required strong political diplomacy due to the obligation of unanimity in Mercosurian normativity.

The construction of bilateral agreements on borders and border regions between two member-states provided Mercosur with rise of interest on the matter, *savoir-faire* (e.g., when two or more countries already found solutions to common issues, they can usually be considered for other border regions as well), intensification of political synergy, and increase of bargain power. Border and border regions were, in this context, perfect choices for the understanding of this politico-diplomatic dynamics due to their limit-crossing nature and the character of the issues involved.

### **The internalization flow**

The internalization flow of the institutionalization process has the opposite direction, that is, it streams from Mercosur's organisms to national policies, projects or bilateral agreements. The necessity of domestic negotiation for internalization of Mercosur's decisions into national constitutions or body

of laws of each member also gives an even higher political logic to the process.

As mentioned before, “the legal acts of Mercosur have neither immediate applicability nor direct effect. Mercosur acts have to be transposed (‘internalized’) through domestic legislative or administrative acts the same way traditional law has to be transposed.<sup>18</sup>” Therefore, the internalization flow, mainly in its juridical instances, is more often than not slow and costly.

However, the internalization flow here cannot be understood only in terms of juridical assimilation of regional norms. It is also the use of Mercosur’s instances and resources to tackle sectorial cooperation issues in a national or bilateral level. The use of the Structural Convergence Fund of Mercosur (Fondo para la Convergencia Estructural del Mercosur – FOCEM, in Spanish) in the last decade, for instance, helped improve asymmetries originated in implementation of diverse public policies by the bloc’s members<sup>19</sup>, and is particularly important for the employment of policies directed to the borders and border regions.

In the process of the internalization flow of borders and border regions, Mercosur functioned as a source of norms (through previous incorporated agreements), of financial support (mainly through FOCEM), and of dialogue (through the multiple channels of debate within Mercosur’s framework). The institutionalization of borders and border regions by Mercosur thus intertwined with previous projects, policies, and negotiations, in national and in bilateral spheres (in some cases, trilateral). However it cannot be considered a constant, linear process, which means that internalization and incorporation both happened at the same time and on different paces. Moreover, it encompassed a great variety of actors from all levels of jurisdiction, which tended to intricate political negotiations.

Given the high degree of complexity and the under-institutionalization of Mercosur, the institutionalization process of borders and border regions in the bloc is expected to reveal the same political logic and the same density of the bloc’s functioning. Hence, it is possible to infer that border integration is likely to face multiple setbacks along its institutionalization process.

## **The incorporation flow of border integration**

Since the establishment of Mercosur, borders received very little attention. Besides the formation of new forms of control after the signing of the Asuncion Treaty, in 1991<sup>20</sup>, borders and border regions remained in obliviousness both by national governments and by Mercosur. This meant leaving any attempt toward cross-border cooperation in the sole hands of subnational authorities, which struggled with unheard political and social demands.

It was only in 1999, with the Social Program for the Borderland Strip, that the Brazilian government started to look at its borders as a target for social development under the perspective of the South American integration. However, the scattering of resources spent in punctual infrastructure projects showed the necessity of reformulating the program, fact that took place in 2003 with the Borderland Strip Development Program Restructuration Plan.

One of the most important changes in this program was the multi-scale perspective that the government adopted in order to identify and understand specific needs of its multiple and diverse borders and border regions. Additionally, Brazil started considering its borders and border regions as strategic spaces. This change culminated in the fact that social and economic development of such areas became a matter of not only national, but also international politics<sup>21</sup>, bringing the subject to bilateral, trilateral (when it was the case of the border region) and regional

spheres (within Mercosur's organisms). This development program hence encouraged cross-border cooperation agreements, introducing favorable conditions for intra-bloc cooperation, particularly in border regions.

The rise of the Brazilian interest on its borders and border regions is of great significance, firstly, given the fact that Brazil - being the largest country in the continent - shares almost six thousand kilometers of international borders with the other Mercosur's parties (Argentina, Paraguay, Uruguay and Venezuela) and more than eight thousand kilometers with most of the bloc's associate countries (Bolivia, Colombia and Peru). Secondly, as of the administration of Lula da Silva (2003-2010), Brazil implemented strong actions toward regional politics, in which the country played the role of greatest power in the continent, leading most of regional enterprises in South America. The relevance of borders and border regions given by the Brazilian government meant, consequently, the importance of all issues related to these complex spaces also in the regional sphere, in which it was so intensely committed.

One of the first fruits of Brazil's development strategy and one of the most notorious products of bilateral approach to borders was the creation of the New Agenda for Cooperation and Border Development signed in 2002 by Brazil and Uruguay that established objectives of cooperation in border regions. This set of accords comprised the areas of health, sanitation, environment, citizenship, police, justice, and it has been amplified to other areas of economic and social development. The 'New Agenda' culminated, in 2005, in the agreement for residence, study and labor for border citizens, facilitating the access to social services to once undocumented, illegal persons within a strip of the border and simplifying regulations to border citizens<sup>22</sup>.

At the same time, the Argentinian presidency of Eduardo Duhalde (2002-2003) and his will to resume close bilateral cooperation with Brazil put forth Mercosur as a relevant regional actor once again (after a long period of deep institutional crisis)<sup>23</sup>. The rapprochement of Argentina and Brazil meant a renewed look at Mercosur and at the importance of its institutions.

During this new impulse of regionalism in South America, the development agenda continued growing as borders and border regions were subject to many different approaches to tackle their low level of social and economic development. The Agreement on Linked Border Municipalities (*Acuerdo sobre Localidades Fronterizas Vinculadas - ALBM*, in English), signed by Argentina and Brazil in 2005, was the result of the good relations between the two countries and of the good regional atmosphere.

ALBM aimed at "facilitating the coexistence of the linked border municipalities and promoting their integration through a differentiated treatment to the population in economic matters, traffic, labor regime, and access to public services and education<sup>24</sup>." The Agreement affected nine linked border municipalities and determined cooperation on health and education projects as well as the building of future accords to establish a Joint Urban Development Plan for all linked border municipalities shared by both countries<sup>25</sup>. Notwithstanding the great importance of this agreement for the populations in the border region, it took more than ten years for it to be incorporated in the Brazilian legislation, being promulgated only in January 2016 (Argentina implemented ALBM in its body of law in 2009)<sup>26</sup>.

On the one hand, these two sets of agreements - between Argentina-Brazil and Brazil-Uruguay - utilized Mercosur as a source of norms, financial support, and dialogue. On the other hand,

they helped shape an agenda concerning borders and border regions within Mercosur's forums. Although the construction of such agreements was not dependent on Mercosur on any level to be materialized, they motivated debate and the creation of specialized centers within the bloc's institutional structure. For instance, in a meeting of the Common Market Group (CMG), a decisional body of Mercosur, ALBM had passed through the analysis of the bloc's parties in order to be effective to all linked borders of Mercosur. Paraguay, however, showed reticence as to approve the norm within its national legislation<sup>27</sup>. Consequently, the discussion moved on to different forums in Mercosur.

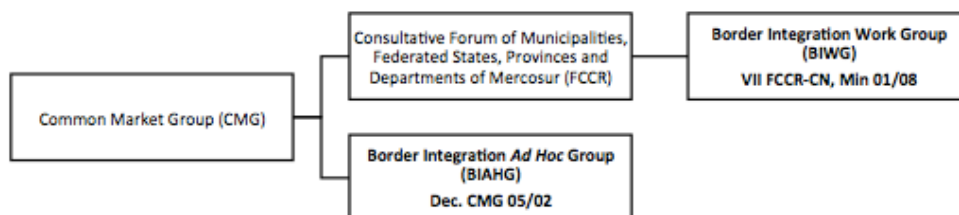
## Mercosur's border integration internalization flow

Border regions of Mercosur endow great potential for international insertion of subnational governments. They are recognized complements to the process of regional integration and go beyond the scope of presidential summits, making it possible to affect directly Mercosur's populations<sup>28</sup>. Decentralized cooperation became thus an important tool for the strengthening of the regional organization, and border integration became a central subject within Mercosur, particularly in the period studied.

Only two groups worked primarily on borders and border regions from the perspective of cooperation/integration within Mercosur's framework.<sup>29</sup> The Border Integration *Ad Hoc* Group (BIAHG), created in 2002 after frustrated negotiations that aimed at assuring the free movement of persons in border regions (which Brazil carried out), was the first step toward the institutionalization of borders in the bloc.

The second institutional process in Mercosur was the Border Integration Work Group (BIWG), created by the Consultative Forum of Municipalities, Federated States, Provinces, and Departments of Mercosur (FCCR), in 2008<sup>30</sup>. The late creation of FCCR sought to rectify the original formation of Mercosur, which did not include subnational governments in its institutional structure<sup>31</sup>. Figure 1 shows BIAHG and BIWG in the scope of the Common Market Group (CMG), according to Mercosur's institutional organogram.

Figure 1. Mercosur's institutions primarily concerned with border integration



## Border Integration Ad Hoc Group (BIAHG)

### Background of negotiations

Since the end of 2001, Brazil proposed the creation of a single institutional body that could centralize all themes related to borders and border regions with the purpose of elaborating a 'border statute' for Mercosur, that is, a single legal mechanism to regulate exchanges and citizens'



every-day issues for all international borders of the bloc. The central argument for the creation of the new body was the difficulty of communication between the different forums that worked on border-related matters in previous years.

However, Argentina had placed caveat about the creation of the statute, even though it showed interest in the establishment of a single institution. Paraguay was concerned almost exclusively with cross-border trade issues and tried to pass a Simplified Border Trade Decision in the CMG<sup>32</sup>. Brazilian political movement hence did not succeed in implementing the group and had to be postponed to the following year.

The *pro-tempore* presidency of Argentina presented a document about border integration in which it proposed to prioritize all border issues in the CMG, with special attention to transportation and customs, in April 2002<sup>33</sup>. Brazil decided to add commentaries to the original proposal based both on its previous statements on the matter, and on Uruguay's indication of priorities for cross-border cooperation<sup>34</sup>.

It is important to see that Brazil and Uruguay were concomitantly negotiating the 'New Agenda' agreements, and the Brazilian efforts within the CMG to create an *ad hoc* group for border integration had a strong back up by the Uruguayan authorities, especially interested in providing better infrastructure and quality of life for its international border populations.

### **BIAHG and its (non-)functioning process**

After negotiations, the Border Integration *Ad Hoc* Group (BIAHG) was formed in July 2002 with the primary objective of "creating instruments to further integration of border communities, aiming at the betterment of quality of life of their populations" (Article 1). It incorporated the responsibility to propose "normative instruments" (Article 2) for border communities' commercial exchange, public health, education, labor, migration, transportation, and economic and social development<sup>35</sup>. The referred normative instruments were, in other words, regulations regarding the organization and the functioning of Mercosur. That is to say, BIAHG had the structural function of designing regulatory mechanisms for Mercosur's institutional framework concerning borders and border regions' issues.

The ambitious goals of the work group had both positive and negative impacts. On the one hand, BIAHG did move all of Mercosur's members toward common objectives regarding borders and border regions. Brazil wanted to capitalize on this set of common goals in order to make it pass its development strategy for border regions. On the other hand, BIAHG had, since the beginning, the challenge of working with highly different strategies to development as well as diverse national regulations regarding infrastructure, environment, health and many other social matters.

Moreover, as the founding document itself acknowledged, BIAHG's "[n]orms should ensure appropriate mechanisms to meet the bilateral and trilateral peculiarities of border communities"<sup>36</sup>. The great diversity of issues found on different border regions triggered delicate effects within the political process of building structural regulation. In spite of the referred complications, BIAHG accomplished to create regulations on medical assistance and hospital services, which aimed at facilitating the offer of health services to all inhabitants of the border regions, regardless of their nationality. The group was also important in the inclusion of border terrestrial commercial exchanges in the scope of the creation of special customs rules by the Common Market Council,



and for the establishment of the associated border communities<sup>37</sup>. BIAHG also discussed the implementation at the regional level of an arrangement based on the agreement of Linked Border Municipalities signed by Argentina and Brazil in 2009. However, as negotiations did not advance, the group dropped the matter<sup>38</sup>.

The lack of unanimity regarding what issues to prioritize in order to put into place a border statute (the group's original goal) was evident. As for 2011, Brazil had reconsidered its position on the necessity of a regional agreement on the matter, given the fact that, in the meantime, Brazil accomplished the signing of bilateral accords with Argentina and Uruguay (Brazilian priority border regions). Paraguay showed it was enough to have an elementary regional agreement, so that future bilateral negotiations could use it as a basis for tackling specificities of each of its border regions. Argentina was the only member still interested on perfecting negotiations on border integration, having concerns on the issues of a Mercosur's citizenship<sup>39</sup>, one of the key objectives of the Argentinian government.

Considering the impossibility to accomplish its services, that is, the creation of a border statute and the establishment of a Mercosur citizenship, BIAHG was dissolved and the cases proposed by the group were taken to CMG<sup>40</sup>. In more than a decade of existence, BIAHG had few meetings and achieved uncertain success. The fact that only national governments participated in the meetings, excluding subnational entities and border populations from dialogue and regulation building process (which means to prioritize the top-down logic)<sup>41</sup> of regional dynamics, disconnected BIAHG from reality at the local level. The summit-like meetings reproduced the existing political competition of diverse projects in the highest spheres of the bloc to the discussions on local-level cross-border cooperation.

## **Border Integration Work Group (BIWG)**

The Border Integration Work Group was created in the scope of the Advisory Forum of Municipalities, Federated States, Provinces, and Departments of Mercosur (FCCR), launched in June 2007, with the primary objective of building an agenda for border integration from the perspective of subnational governments. BIWG was built as a permanent group to involve local governments, border committees, and members of the FCCR<sup>42</sup>.

The idea behind the creation of BIWG was to make a 'socially visible Mercosur', *i.e.* a regional enterprise that is able to impact society as a whole from a local-level perspective. The objective was to coordinate a space in which not only local governments could interact with one another to discuss matters of cooperation, but also that could involve the participation of national delegations in the process of creating policies<sup>43</sup>.

Differently than the BIAHG and its structural purpose, the BIWG had a coordination objective, which had proved to be a problematic challenge in the *ad hoc* group. The IX Meeting of National Coordinators of June 2008 worked as to create an agenda to tackle these problems. The first three themes proposed by the group showed the priority given to coordination: financial support, centralized information, and institutional relations<sup>44</sup>.

Mercosur's Structural Convergence Fund (FOCEM) and the necessity for the FCCR to create a technical committee to participate in the process of evaluation of projects were the first theme BIWG presented in its opening meeting<sup>45</sup>. If projects in borders and border regions were to receive

financial support from Mercosur, it was essential that local governments could participate in the evaluation of the priorities and viabilities of such projects. In this matter, the project of integrated urban sanitation between Aceguá (Brazil) and Aceguá (Uruguay), after local studies of viability and environmental analyses, was accepted to be funded by FOCEM in more than 70% of the costs, of approximately seven million dollars<sup>46</sup>.

BIWG also aimed at the creation of a database to centralize information on border regions<sup>47</sup>. Local authorities realized that it was difficult to find and organize materials such as official data, technical and academic research, and other sources of information regarding the reality of borders and of border populations.

The Work Group established that institutional relations, both intra and extra-Mercosur, had to be prioritized in order to advance border integration<sup>48</sup>. Intra-Mercosur relations showed to be problematic, with lack of communication among different organisms. Centralized information could thus have diminished the problem.

BIWG also defined other themes to the border integration agenda: productive integration, legislation, security, infrastructure and transport, culture and education, health and migration, and environment. In the same year (2008), BIWG organized the 'Seminar on Border Themes' in Formosa, Argentina, and its coordination meeting. The work group covered a great amount of border region-related problems, identifying the following issues :

absence of customs at certain points of the border; occurrence of criminal activities such as trafficking of drugs and people; low utilization of tourism potential at border regions, due to insufficient investment by national governments; carelessness and neglect of environmental preservation; and low participation of local authorities and civil society in the formulation and implementation of public policies that affect border towns<sup>49</sup>.

Having defined general themes for and specific issues at the borders and border regions, BIWG slowed the pace. While FCCR continued to encompass subnational entities within the discussion toward regional integration, BIWG became merely a structure responsible for organizing discussion forums for local governments, amplifying the network of border communities, and producing reports on the previously mentioned issues. The subsequent temporary deactivation of BIWG during almost five years (from the end of 2010 to mid-2015) is a clear sign of the difficulties faced by the group. Even though Mercosur did become more aware of the social and economic reality of the borders and border regions, the communication between local governments and higher levels of the decision-making process did not remove its institutional obstacles.

Despite the hindrances that BIWG faced during its brief existence, the 2015 Brazilian Pro-Tempore presidency proposed the reactivation of the group, in the XLV Ordinary Meeting of Coordinators, due to demands of local-level authorities. The main purpose of the revival of BIWG is to discuss, study, and analyze the creation of cross-border cooperation regions, called Merco-regions. As all delegations accorded, in 2016, BIWG shall prepare a report with suggestions and diagnostics on the matter<sup>50</sup>.

In the same meeting, Brazil presented a draft of the Agreement on the Promotion of Border Integration. Consisting of eight chapters, the agreement acknowledged that it is "the duty of States parties to encourage combined actions to promote the effective integration of the bloc's countries". It considered the necessity to observe "the situation of the borders, especially in the twin-towns,

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which experience the daily direct consequences of integration<sup>51</sup>.”

A Merco-region is to be considered a unified, single region; a juridical person formed by the subnational entities connected through physical proximity<sup>52</sup>. It was not clear how the region would facilitate the construction of new cooperation agreements within a Merco-region. The main idea of the juridical piece is that, specifically in the Merco-regions, the members of Mercosur would agree to facilitate and promote cooperation for the betterment of public services in that area.

## Conclusions

From a border integration viewpoint, the incorporation of borders and border regions within Mercosur's institutional framework affected neither the reality of border communities nor the issues experienced by the populations involved. The lengthy negotiations and the impossibility to reach consensus in such a sensitive matter did not help advance border integration at the regional level. Some cross-border cooperation projects were indeed put in motion within Mercosur's institutions, but with low participation of other actors than the countries' diplomatic bodies.

The ultimate objectives of both the Border Integration *Ah Hoc* Group and the Border Integration Work Group showed to be too ambitious to be carried out. BIAHG's goal of creating structural regulatory mechanisms to generate a 'border statute' could only be accomplished through a truly coordinated institutional space, in which the discussions could be taken to the level of a real decision-making process. Furthermore, the coordination objective of BIWG could not be more complex to implement within the present institutional structure of Mercosur. The lack of a transnational institutional space, with its authority and legal status, impeded BIWG to be more than a discussion forum.

Although borders and border regions became priorities in national and regional political agendas, there was a lack of a clear strategy toward border integration, and a lack of a solid task division, which made those areas subject to specific governments' and particular politicians' will. This explains the discontinuance of both groups, despite political and ideological convergence on implementing projects toward social and economic development in those areas. Mercosur's complex institutional negotiation tissue affected directly the *modus operandi* of both border integration groups, by rendering too complex the political negotiation of sectorial cooperation and by hindering communication between the incorporation and the internalization flows. This meant the simple replication of the institutional logic of Mercosur, which, notwithstanding general will to tackle underdevelopment, did not translate the process into political convergence.

Despite what their names suggested, both BIAHG and BIWG did not accomplish any task toward border integration *per se*. They did promote local-level cross-border cooperation by utilizing Mercosur's institutions, with special use of FOCEM. Both groups ended promoting parallel bilateral negotiations, as the construction of an agreement as a bloc became harder to accomplish. It is clear that border integration required more than the will of national governments to tackle border issues; it rather showed to depend upon a strong change within Mercosur that could progress onto a new institutionalization.

The incorporation flow of the institutionalization of Mercosur presented, however, potentialities that cannot be ignored. The use of subnational bodies to the resolution of local-level problems can give the institutionalization of border integration a more dynamic perspective. Furthermore, the interest of Brazil to address common problems at the borders and border regions is demonstrated

to be highly relevant, as it was only after the launch of the national development project apropos those areas that its neighbors decided to discuss the matter of border integration within Mercosur's forums.

Nevertheless, Brazilian efforts to build consensus on the matter showed to be insufficient, as it relied solely on diplomatic negotiations, without any other institutional support from Mercosur. This shows the necessity to improve institutional conditions of the internalization flow, so that true coordination may emerge within the process.

The next steps of negotiation toward the creation of the Merco-regions are still to be observed. They will show if they are heading to the same institutional dead-end of their previous negotiations, or to really affecting the everyday lives of local populations at the borders and border regions by promoting border integration. If that will be the case, once more Mercosur will show its capacity to foster regional policies with a particularly exiguous institutional framework.

## Notes

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<sup>2</sup> MATIUZZI DE SOUZA (G.) et CULPI (L.) 'La réinvention du Mercosur à la lumière des synergies politico-idéologiques sud-américaines', in SANTANDER (S.), *Concurrences régionales dans un monde multipolaire émergent*, Bruxelles, Peter Lang, 2016, p. 101-114.

<sup>3</sup> Note that 'regional integration' is not the same as 'border integration'. In this paper, 'regional integration' is defined as "a historical process of increased levels of interaction between political units (subnational, national, or transnational), provided by actors sharing common ideas, setting objectives, and defining methods to achieve them, and by so doing contributing to building a region." (See: DABÈNE (O.), *The politics of regional integration in Latin America: theoretical and comparative explorations*. Palgrave Macmillan, 2009, p. 10. Border integration, in this sense, is an integral part of regional integration, as it involves a great number of actors toward, among other things, setting common objectives on local-level cooperation.

<sup>4</sup> RHI-SAUSI (J. L.) et COLETTI (R.), *Cross-border regional integration and cooperation in Latin America: experiences and perspectives*, 2010, p. 182-204.

<sup>5</sup> *Idem*, p. 183.

<sup>6</sup> Cf. ODDONE (N.) 'Cooperación Transfronteriza en América Latina: Una aproximación teórica al escenario centroamericano desde la experiencia del Proyecto Fronteras Abiertas', *Oikos*, vol. 13, n° 2, 2014, p. 129-144.

<sup>7</sup> GRIMSON (A.) 'Fronteras, estados e identificaciones en el Cono Sur', in MATO (D.), *Estudios latinoamericanos sobre cultura y transformaciones sociales en tiempos de globalización - 2*, Caracas and Buenos Aires, Clacso, 2001, p. 89-102.

<sup>8</sup> MATIUZZI DE SOUZA (G.) et CULPI (L.), 'La réinvention du Mercosur', *op. cit.*

<sup>9</sup> MERCOSUR, CMC, Decisión N° 41/04, *Foro Consultivo de Municipios, Estados Federados, Provincias e Departamentos do Mercosul*, Belo Horizonte, 2004.



10 Cf. FERRER (A.), 'El éxito del Mercosur posible', *Revista de Economía Política*, vol. 27, nº 1, 2007, p. 147-156.

11 Ferrer (*ibid.*) categorizes a 'possible Mercosur' instead of a 'real Mercosur'. However, determining that the current accomplishments of Mercosur is what could be considered to be achievable (or possible) implicates in a danger of judgment of value, since it is not possible to infer on the relation between actors' interests and structural capabilities *a priori*.

12 SANTANDER (S.), 'Invariances et ruptures dans le Mercosur', in SANTANDER (S.), *Relations internationales et régionalisme: entre dynamiques internes et projections mondiales*, Liège, Presses Universitaires de Liège, 2012, p. 12-32.

13 MATIUZZI DE SOUZA (G.) et CULPI (L.), 'La réinvention du Mercosur', *op. cit.*

14 Cf. MALAMUD (A.), 'Presidentialism and Mercosur: A Hidden Cause for A Successful Experience', in LAURSEN (F.), *Comparative Regional Integration: Theoretical Perspectives*, Aldershot, Ashgate, 2003, p. 53-73.

15 MATIUZZI DE SOUZA (G.) et CULPI (L.), 'La réinvention du Mercosur', *op. cit.*

16 BRICEÑO RUIZ (J.), 'Autonomía: genealogía y desarrollo de un concepto. Su relación con el regionalismo en América Latina', *Cuadernos sobre Relaciones Internacionales, Regionalismo y Desarrollo*, vol. 9, nº 18, 2014, p. 9-41; LECHINI (G.), 'La cooperación sur-sur y la búsqueda de autonomía en América Latina: ¿Mito o realidad?', *Relaciones Internacionales*, vol. 12, 2009, p. 55-81.

17 ALMEIDA (P. R.), 'História do Mercosul: origens e desenvolvimento', *Espaço da Sophia*, nº 43, 2011.

18 LAURSEN (F.), 'Requirements for Regional Integration: A Comparative Perspective on the EU, the Americas and East Asia', in LAURSEN (F.), *Comparative Regional Integration: Europe and Beyond*, Surrey, Ashgate, 2010, p. 254.

19 FERRETTI (M.), 'FOCEM: una acción concreta para el avance hacia la reducción de las asimetrías estructurales en el Mercosur', *Revista de derecho*, nº 23, 2013, p. 135-210.

20 GRIMSON (A.), 'Fronteras, estados e identificaciones', *op.cit.*

21 Cf. MINISTÉRIO DA INTEGRAÇÃO NACIONAL, *Faixa de fronteira: Programa de Promoção do Desenvolvimento da Faixa de Fronteira - PDF*. Secretaria de Programas Regionais, Brasília, SPR, 2009.

22 MATIUZZI DE SOUZA (G.), 'Demandas por regulação na região fronteiriça brasilo-uruguaia', *Século XXI*, vol. 5, nº 2, 2014, p. 13-32; MATIUZZI DE SOUZA (G.), 'Parceria estratégica Brasil-Uruguai no contexto da inserção internacional brasileira (2003-2014)', *Monções*, vol. 4, nº 7, 2015, p. 165-185.

23 CAETANO (G.), 'Breve historia del MERCOSUR en sus 20 años. Coyunturas e instituciones (1991-2011)', in CAETANO (G.), *Mercosur: 20 años*, Montevideo, CEFIR, p. 21-74.

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*Argentina e la República Federativa del Brasil sobre Localidades Fronterizas Vinculadas*, Puerto Iguazú, 30 de noviembre de 2005.

25 Ibidem.

26 Braulio, (A.), '2º Encontro Binacional de Cidades Fronteiriças busca diminuir a burocracia na realização de atividades integradas', *Revista DigitalPortal Tri*, 16th of May, 2016, <http://www.portaltri.com.br/1/noticias/4/geral/55959/2--encontro-binacional-de-cidades-fronteiricas-busca-diminuir-a-burocracia-na-realizacao-de-atividades-integradas>, (consulted on 20/06/2016).

27 MERCOSUR, GMC, Acta Nº 01/06, *XXXI Reunión Extraordinária del Grupo Mercado Comum*, Córdoba, 18 de julio de 2006.

28 BANZATTO, (A.) et PRADO (H.), 'A Paradiplomacia, a cooperação descentralizada e a integração fronteiriça no Mercosul', *Boletim Meridiano* 47, vol. 15, nº 141, 2014, p. 18-24.

29 Other instances, groups and forums within Mercosur's institutional structure work on borders through the perspective of regulation building, technical customs matters, infrastructure, and financial support and are not object of this present analysis.

30 RHI-SAUSI (J. L.) et ODDONE (N.), 'La cooperación transfronteriza entre las unidades subnacionales del Mercosur', in CERQUEIRA FILHO (G.), *Sulamérica - comunidade imaginada: emancipação e integração*, Niterói (R.J.), EdUFF, 2011, p. 203-217.

31 The Forum of Municipalities, Federated States, Provinces, and Departments of Mercosur (FCCR), founded in 2004, was designed to foster coordinated dialogue and cooperation among subnational entities within the formal institutional structure of Mercosur. Before the creation of FCCR, subnational bodies had only the Mercociudades Network (a forum created in 1995) to discuss bottom-up strategies of cooperation. As for 2007, FCCR became the representative organism for local governments within Mercosur.

32 TACCONE (J.) et NOGUEIRA (U.), *Informe Mercosul: Período 2001-2002*, nº 8, Buenos Aires, BID - Intal, 2003.

33 MERCOSUR, GMC, Acta Nº 1/02, *XLV Reunión Ordinária del Grupo Mercado Común*, Buenos Aires, 18 de abril de 2002.

34 MERCOSUR, GMC, Acta Nº 1/02, *Anexo V: Documento sobre integración fronteriza presentado por la PPT y comentarios de Brasil*, Buenos Aires, 18 de abril de 2002.

35 MERCOSUR, CMC, Decisión 05/02, *Grupo Ad Hoc de Integración Fronteriza*, Buenos Aires, 2002.

36 *Idem*, Art. 2.

37 RHI-SAUSI (J. L.) et ODDONE (N.), 'La cooperación transfronteriza', *op. cit.*

38 MERCOSUR, GAHIF, Acta Nº 1/11, *XI Reunión del Grupo Ad Hoc sobre Integración Fronteriza del Mercosur*, Montevideo, 24 de octubre de 2011.

39 *Ibid.*



40 *Ibid.*

41 RHI-SAUSI (J. L.) et ODDONE (N.), 'La cooperación transfronteriza', *op. cit.*

42 MERCOSUR, FCCR, Acta N° 01/07, 'Anexo VI', *I Reunión Ordinaria del Plenario del Foro Consultivo de Municipios, Estados Federados, Provincias y Departamentos*, Assunción, 28 de junio de 2007; MERCOSUR, FCCR-CN, Acta N° 04/07, *IV Reunión de Coordinadores del Foro Consultivo de Municipios, Estados Federados, Provincias Y Departamentos*, Montevideo, 17 de Agosto de 2007.

43 MERCOSUR, FCCR-CN, Acta N° 03/08, 'Anexo VI: I Reunión del Grupo de Trabajo de Integración Fronteriza (GTIF) del Foro Consultivo de Municipios, Estados Federados, Provincias y Departamentos (FCCR)', *IX Reunión de Coordinadores Nacionales, Alternos y de los Comités del Foro Consultivo de Municipios, Estados Federados, Provincias y Departamentos del Mercosur*, Buenos Aires, 27 de junio de 2008.

44 *Ibid.*

45 *Ibid.*

46 MERCOSUR, CMC, Decisión N° 30/12, *Fondo para la Convergencia Estructural del Mercosur, Proyecto 'Saneamiento urbano integrado Aceguá/Brasil y Aceguá/Uruguay'*, Montevideo, 30 de noviembre de 2012.

47 *Ibid.*

48 *Ibid.*

49 MERCOSUR, *Foro Consultivo de Municipios, Estados Federados, Provincias e Departamentos do Mercosul - FCCR*, Presidência Pro-Tempore Brasileira, Foz do Iguaçu, 2010.

50 MERCOSUR, FCCR-CN, Ata N° 02/15, *Anexo VIII: Apresentação de Propostas para Integração Fronteira*, Brasília, 15 de julho de 2015.

51 MERCOSUR, FCCR-CN, Ata N° 02/15, *Anexo IX: Acordo para a Promoção da Integração Fronteira*, 2015.

52 *Ibid.*, Article 6.

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