In the Shadow of the Generals
Foreign Policy Making in Argentina, Brazil and Chile

MARTIN MULLINS

University of Limerick, Ireland
IN THE SHADOW OF THE GENERALS
For Deirdre
Contents

List of Maps vi
Preface vii

1 Introduction  1
2 Theoretical Considerations: The Need for Inclusive Approaches 19
3 Argentine Foreign Policy  47
4 Brazilian Foreign Policy  73
5 Chilean Foreign Policy  101
6 Conclusions  127

Bibliography 135
Index 163
## List of Maps

<table>
<thead>
<tr>
<th>Map of South America</th>
<th>viii</th>
</tr>
</thead>
<tbody>
<tr>
<td>Map of Argentina</td>
<td>46</td>
</tr>
<tr>
<td>Map of Brazil</td>
<td>72</td>
</tr>
<tr>
<td>Map of Chile</td>
<td>100</td>
</tr>
</tbody>
</table>
Preface

This is a propitious time for a study of the foreign relations of the Southern Cone. States across South America are becoming increasingly strident in their dealings with the United States and the wider world. Changes in the global political economy have afforded Argentina, Brazil and Chile more autonomy and as a consequence hemispheric relations are now in a time of flux. The political presence of Hugo Chavez, the impending Venezuelan entry into Mercosur and the election of Evo Morales in Bolivia are liable to complicate matters further. Power relations around the world are changing and Brazil is now an important player in global diplomacy. The existence of Mercosur lends weight to Brazil in trade talks and increases the profile of Argentina. The two countries have put aside their historic rivalry and have built a strong relationship, particularly in the area of external relations. This book examines the prospects for a hemispheric free trade agreement and the probable future course of the Mercosur project.

This work also addresses theoretical concerns in the discipline of International Relations. The task of explaining foreign policy formation in the Southern Cone calls for an inclusive methodology. The region’s history, relations between civilian powers and the military and the imperative of development are all important drivers of foreign policy in the Southern Cone. Interpretive techniques are required to gain an understanding of both the continuities and discontinuities in the area of foreign policy. The case of Argentina, in particular, demonstrates the limits of those approaches that focus exclusively on the relative power and capabilities of nation states. The aim of this work is to bring local circumstances into view and demonstrate the salience of national political cultures to the discipline of international relations.
Map of South America
Chapter 1

Introduction

The subject of this book is the foreign policies of Brazil, Argentina and Chile. The relative importance of the various drivers of foreign policy formation in the three countries will be considered. This work addresses the historical evolution of foreign policy in the Southern Cone and examines the impact of the dictatorships of the 1980s on this area of policy. The impact of identity politics and evolving historical narrative constitutes an important element of this study. The aim is to provide the reader with an understanding of the political and cultural factors that have shaped foreign policy formation in Brasilia, Buenos Aires and Santiago.

For over a century these three countries have jockeyed for position in the Southern Cone of Latin America. The relative power and influence of the three ABC countries (Argentina, Brazil and Chile) has changed dramatically over time and today it is Brazil that represents the dominant force. This, in itself, has profound implications for international relations in the region as Brazil seeks to assert itself across the wider continent and project its influence globally. The study of foreign policy in the Southern Cone is of interest in and of itself, however, it also serves to illuminate many of the key issues facing global polity today. Firstly, relations with the hemisphere’s hegemonic power, the United States, have long been a central concern of policy planners in the region, as has the related matter of US interventionism. Secondly, the study also illustrates the political dynamics of an emerging regional trade bloc, namely Mercosur. The key question facing the nations of the Southern Cone is whether the Mercosur agreement will be superseded and absorbed by a wider regional arrangement.\(^1\) Thirdly, the book examines the implications of the emergence of a nascent regional power, in this case Brazil. Fourthly, this work examines the dynamics of international relations at the periphery of world system.

A key unit of analysis in this work will be Mercosur. Established in 1991, it is the most important economic grouping in Latin America. The organization is made up of Argentina, Brazil, Paraguay and Uruguay. In 1996, Chile was granted associate status, this allowed Santiago to pursue bilateral trade negotiations with third parties whilst maintaining a formal link with the regional trade bloc.\(^2\) Throughout much of the 1990s, Mercosur demonstrated itself to be a dynamic trading area with intraregional rising from just 9% of total trade in 1990 to 25% in 1998. During the late

---


2 Bolivia, Colombia, Ecuador, Peru and Venezuela are also associate members of Mercosur.
1990s, the grouping experienced a series of crises as relations cooled between the two principals, Argentina and Brazil. However, post 2000, the prognosis for the pact is more positive. Mercosur is no longer faced with a sceptical Argentine government, which under ex-president Menem in the 1990s, had favoured good relations with the United States over those with its Mercosur partners. For Brazil, the Mercosur project lies at the heart of its foreign policy. The trade bloc represents both a method of projecting itself more effectively in the wider world and of resisting US domination in the Southern Cone of Latin America. The smaller countries of the region are facing a dilemma as to whether or not to fall in behind Brazil and Argentina in creating a viable alternative to a hemispheric free-trade area led by the United States. The success or failure of Mercosur will to a large extent determine the future shape of international relations in the region and so determine the foreign relations of Argentina, Brazil and Chile over the longer term.

Foreign policy formation in less powerful nations receives little attention. From the realist perspective, power is the primary determinant in the area of international relations and so the focus is directed onto the locations where power is concentrated. The dominant theme of such literature is the foreign policy of the United States. Other large players also attract attention; the European Union represents a formidable force in economic diplomacy around the world and is able to challenge the United States in this area. In the case of Latin America, the power exerted by the United States has obscured the dynamics of inter-state policies in the region. This is beginning to change; the increasing global profile of Brazil, the seeming durability of the Mercosur project and the emergence of a more strident leadership across the continent is generating interest in foreign policy making in Latin America.

The United States has been a powerful force in Latin America. Certainly, US policy has been a constraining factor on the practice of foreign relations in the region. As a result, autonomy in Latin America is often perceived as something lacking and as a goal to be achieved. However, whilst constraints do exist on the practice of external relations, this does not diminish either the necessity of affording attention to foreign policy making in the Southern Cone or the fascinating nature of such an inquiry. Constraints exist on all actors in the social realm. Absolute freedom of action in the area of international relations does not exist. Even a power as dominant as the US finds itself restricted in the actions it can take. It operates in an international system, which although lacking any over-arching authority, still places restrictions on the hegemonic power. These restrictions may take the form of certain norms and procedures that have to be followed in the international system. Just as individuals must act within a certain culture so it is with nation states. Relative power is an enormously important consideration but there are other factors that need to be examined. The political culture of the country also has an impact. This will limit

---


Introduction

the alternatives available to political leaders. This political culture has its basis in the distant past as well as in more recent events. Economic motives are increasingly prominent in the conduct of international relations. Behaviour on the world stage will have economic repercussions and it is frequently difficult to disentangle economic motives from so-called harder politics. The ongoing struggle for resources around the world demonstrates the strategic value of such commodities as oil and water. International relations takes place in a complex environment made up of material and metaphysical elements where the actors involved respond according to the subjective and objective assessments of the situation.

In the case of the countries of the Southern Cone, all these elements combine to make up the context of the region’s international relations. There are constraints; the United States is a powerful force in hemispheric politics. However, there is also a degree of autonomy. These conditions have given rise to a variant of the realist school, peripheral realism (realismo periférico). This school of thought accepts the existence of asymmetrical power relations in the hemisphere and the region’s marginal position in the international system. This realism of the periphery, with its focus on autonomy constitutes important phenomena in the region.

Relations with the United States

There is a long history of disputes between the countries of the Southern Cone and the United States. These have tended to revolve around the familiar theme of unilateral intervention on the part of the United States. It is the case, that much of the history of hemispheric relations closely reflects the concerns of the world community post-September 11, 2001. The nations of the region have long sought to restrict the ability of the United States to intervene in the politics of its Latin American neighbours. Much of the recent debate in the region on the war in Iraq has tended to focus on this issue of unilateral versus multilateral action. For the United States alone to identify dangerous states and deem it necessary to instigate a policy of regime change is of course not without precedent in Latin America. The willingness of both Chile and Mexico to defy the United States in crucial Security Council votes on the issue of Iraq demonstrates both the centrality of these issues to Latin American nations and the limits of US hegemony in the region.

The complex relationship between Latin America and the United States dates back to the early part of the nineteenth century. The Munroe doctrine of 1823 made it clear that the United States saw the Americas as a separate system in world politics, and that it would endeavour to resist outside interference. It became apparent in the nineteenth and early twentieth centuries that the United States also reserved the right to intervene where it thought necessary in the domestic affairs of those countries to its south. The Roosevelt Corollary of 1904 explicitly recognized this right or duty to intervene. We have seen a number of such interventions over the past century. In terms of overt interference such actions have been concentrated in Central America.
and the Caribbean, but across Latin America the presence of the United States is also keenly felt.

The bipolarity of the Cold War years added a certain urgency to Washington’s dealings with Latin America, as foreign relations came to be seen through the prism of the ideological battle with the Soviet Union. Internal conflicts within Latin American countries were perceived in the same way. During this period, we see a number of cases of the US in conflict with left wing governments and revolutionary insurgencies. The end of the Cold War has created a new environment in the Americas. The collapse of the Soviet Union lessened the imperative to intervene on the part on the United States and afforded the countries of the region greater autonomy in their dealings with the wider world. In the mid-1990s, the potential existed for a more realistic and constructive relationship between the US and Latin America. Recent events and the advent of the so-called ‘War on Terror’ have further distracted the attention of the US away from the region. The focus on terror has also changed the nature of the United States’ engagement with the region with an increased focus on security matters and military cooperation.

There is a curious paradox at the heart of Latin American international relations. Political leaders are fearful both of too much and too little attention from the United States, too much attention can restrict their room for manoeuvre but too little attention also has its drawbacks. Since the end of the Cold War the declining strategic importance of the region and increasing security concerns in the Middle East had led to fears that the region will be left to its own devices. Hirst (2003) argues that the region no longer figures in US strategic thinking. In economic terms we also see a decline in the importance of Latin America. The relative importance of the Latin America countries as trading nations has fallen in terms of the value, this despite a rise in the volumes of that trade. In the combination of a declining strategic importance, a low economic profile and the continuing political and financial instability, there is a perceived risk of the marginalization and even Africanization of the region.

The Wider World

As the United States has focused its attention elsewhere, relations with the European Union have, for the counties of the Southern Cone, taken on a greater importance. In economic terms, the EU represents an important trading partner, so important in fact that trade flows between Mercosur and the EU exceed those of the United States
and the Mercosur. In investment terms too, the EU has been an important source of capital to the Mercosur region with substantial investment being made principally in the banking and telecommunications sectors. On the European side, Mercosur represents an example of ‘South–South’ regionalism that the EU has long tried to encourage. The EU has an established preference for dealing with other regional organizations in trade talks as was demonstrated in its initial reluctance to negotiate a trade deal separately with Chile. The Spanish and the Portuguese both have a long-standing cultural and political connection with the countries of the region. Spain, in particular, has tried to position itself as a bridge between the wider European Union and Latin America. Both parties, but particularly the Mercosur countries, gain some leverage through this engagement. In their dealings with the US on a proposed Free-Trade Area of the Americas (FTAA), the EU represents an important counterweight in the negotiations. In political terms, for many in the Southern Cone, the EU represents more than a mere trading partner – it also represents a model for regional integration. The EU’s pattern of cooperation with its social component and supranational institutions is seen as an alternative to the North American Free-trade Agreement between the US, Canada and Mexico with its lack of a social policy and absence of transfers of wealth. The political dimension of Mercosur creates an affinity between the South American and European integration processes, and differentiates it from NAFTA.

Asia also represents an important trading partner for Argentina, Brazil and Chile. In general terms, we see a four way split in terms of the destination of trade, the US, the EU, Asia and intra-regional trade. This split explains the seemingly oxymoronic notion of ‘open regionalism’ so prominent across the Southern Cone, but particularly so in Chile. In the context of existing trade flows, Brazil, Argentina and Chile are all anxious to keep their various markets open. In recent years, relations with Asian countries have taken on a decidedly political tone. This phenomenon is driven by Brazil as it seeks to build a coalition of middle-ranking powers in order to gain greater leverage in global trade negotiations. Brazil has forged close relations with India and China. In part, this move is also motivated by a belief on the part of the administration of Lula de Silva that South–South trade links provide an important mechanism to pursue trade growth. For Brazil, a hemispheric trade agreement with the US is associated with high costs. In Brazil, the politics of development over the past decades has created sensitive areas in terms of opening up the Brazilian market to foreign competition. The authorities have long been protective of those sectors

---

that have a high technological content and those seen as vulnerable if markets are thrown open to foreign competition.

**Mercosur**

Intra-regional trade has become an increasingly important feature of trading patterns. Throughout the early and mid 1990s, the percentage of exports from Argentina, Brazil and Chile destined for Latin American markets grew rapidly. In the late 1990s there were some reversals but important patterns of intra-regional trade had been established. There has been some debate as to the long-term implications of these trading relations and whether or not intra-regional trade is primarily made up of products from the less dynamic areas of the local economies. Investment patterns have also begun to change, reflecting the growing importance of economic linkages between the nations of Mercosur and its associate members. The 1990s saw large investments from Chilean companies in Argentine utilities. At the same time investments coming in from North America and Europe are, in part, based on the existence of Mercosur.\(^{13}\)

The trajectory of the organization has not been straightforward and during the 1990s the organization experienced some setbacks. Structurally, Mercosur has suffered from a number of weaknesses. Historically, the organization has suffered from institutional deficits in that its supranational institutions are relatively weak. This has led to difficulties in resolving disputes between the members. Furthermore, the relationship between the two principal members, Brazil and Argentina has not always been a close one and in times of difficulty, both have resorted to unilateral actions which have damaged the Mercosur project. The most serious of these episodes was the 40% devaluation of the Brazilian currency, the Real, in early 1999. This adjustment was made in the context of severe macroeconomic difficulties experienced by Brazil. The impact in Argentina was very serious as Argentine industry struggled to compete against cheap Brazilian imports. This tendency for unilateral actions has weakened the organization over the years and has continued into the early part of the twenty-first century. On a global level, the countries of Mercosur and Chile have been reluctant to limit their room for manoeuvre in negotiations with third parties. In the case of Brazil, there has been reluctance on the part of the foreign policy establishment, the *Itamaraty*, to restrict its freedom of action in any way.

Many of the trading bloc’s difficulties stem from the fact that the rationale behind the Mercosur project has never been clear. The principal question is whether or not Mercosur is intended primarily as a negotiating device in forthcoming talks with the United States on hemispheric free trade and in wider global trade talks. This question relates to a major difficulty for the Mercosur project, namely, the perception of Brazilian dominance within the organization. If Mercosur is such a negotiating device, it is a Brazilian device. Such a perception is not without foundation as there

---

\(^{13}\) Carranza, ‘Can Mercosur Survive? Domestic and International Constraints on Mercosur’, p. 71.
is a strong tendency within the Brazilian elite to see their country as the regional hegemon. Mercosur can thus be construed as a vehicle for the regional ambitions of Brazil and a method to counter-balance US influence in the region. There are fears that other smaller countries in the Southern Cone may be paying a price for the sake of Brazilian regional and global ambitions and in order to support Brazilian tactics in wider trade negotiations. Certainly, it has long been a stated policy of Brazil to keep the power and influence of the United States in the region down to a minimum. Such a desire is also reflected in the discourse of some political groups in Argentina and Chile. In all three countries there are strong historical tendencies that have striven to resist US hegemony in the region. However, both in Santiago and in Buenos Aires, particularly during Menem’s presidency, there has been a keen awareness of the cost of antagonizing the US. In contrast to the vibrant debate in Latin America, in the United States, the Congress and business groups tend to dismiss the sub-regional initiatives and the preference is for Mercosur to be replaced by a hemispheric trade bloc.¹⁴

The countries of Mercosur and its associate members retain their own distinct foreign policy goals and there are difficulties in achieving consensus. Mercosur is just over a decade old. The EU, which has had a good deal longer to develop common policies and goals, cannot achieve consensus on many issues. Mistrust and suspicion were the order of the day as the members of the European Union attempted to deal with the Iraq crisis in 2003. It remains true that ‘European Project’ means different things to different member states and that there are those who fear a Franco–German agenda for European integration. So it is that in the Southern Cone many question Brazilian motives and are wary of Brazilian leadership in the region’s wider relations.

World War Two was the glue that bound Europe together and formed the backdrop to the Treaty of Rome. In terms of inter-state violence South America has been relatively peaceful over the last century. However, the shared trauma of dictatorship has cemented relations between the region’s civilian governments. There have been rivalries between the countries of the region and considerable tensions have existed in the past between Argentina and Chile. In December 1978 the two countries were at the point of war over a territorial dispute in Tierra del Fuego and only an intervention by the Pope prevented full-blown hostilities breaking out. Problems remain between Chile and her northern neighbours, Peru and Bolivia. In the case of Brazil and Argentina there was also a long-standing rivalry between the two countries. Across the Southern Cone during much of the 1970s and 1980s the respective armed forces were in control. In all cases, defence policy and to some extent diplomatic policy was predicated on intra-regional rivalries. During these years a geopolitical paradigm dominated the thinking of military planners. The situation has improved greatly over the past two decades. The democratization of the region has led to a move away from the traditional agenda of regional politics dominated by border disputes and local

rivalries. Hirst (1998) refers to the dovish vocations of the new democracies. The determination to avoid a repeat of the human rights abuses of the 1970s and 1980s has united a generation of politicians from Argentina, Brazil and Chile. The politics of democracy and human rights has been an effective glue in binding the region’s nations together. Furthermore, the shared experience of military intervention has led to an appreciation of the commonalities between the nations and has lessened the hold of particularist tendencies, especially in Argentina and Chile.

The Transition to Democracy

A process of democratization took place across the Southern Cone in the 1980s and the early 1990s. The nature of the changes in Brazil, Argentina and Chile was not homogenous. An appreciation of these different trajectories on the road to full democratization is a key element in understanding foreign policy formation in the region. The manner in which the transition to democracy occurred determined, to a large extent, the configuration of power within the new civilian regimes. This, in turn, has fed into the process of foreign policy decision making. One key element was the extent to which the military retained their influence post-dictatorship. The more influence components of the old regime had over the civilian authorities, the more continuity in policy terms.

In the case of Argentina, the institutional rupture was sudden and definitive and during the 1980s Argentina went through a profound transformation. The abject failures of the military junta in the Falklands/Malvinas War, the nightmare of the ‘dirty war’ and severe economic problems all led to a re-evaluation of Argentina’s position in the world. This process was accelerated to some extent by the complete withdrawal of the military from Argentine politics. Such were the debacles of the 1970s and 1980s that the military no longer enjoyed any influence and a number of institutional changes, following the return of democracy, weakened their role within the Argentine state. In this new environment the Argentine governments that followed were anxious to normalize relations with its neighbours.

The changes in Brazil were more gradual. The country’s foreign policy has been marked by a degree of continuity despite the regime change. This continuity is explained by the continued influence of social and political forces that either garnered and/or maintained their power during the years of military rule.

In Chile, the armed forces retained influence. Of the countries being discussed, it is here that the traditional agenda of regional rivalries and border disputes has tended to linger on. Tensions remain between Chile and its two northern neighbours, Bolivia and Peru. Chile maintains that there is no outstanding dispute with Bolivia but the government in La Paz has been garnering support for a reopening of the issue of Bolivian access to the sea. In the case of Peru the dispute centred on the

---

city of Arica has yet to be resolved to the satisfaction of both sides. In each case the issue of illegal immigration from both Peru and Bolivia has added to the difficulties. These continuing problems in the northern desert are a legacy of the War of the Pacific (1871–73), a conflict that continues to poison relations between Chile and her neighbours. On these issues, the ‘historical agenda’ retains its dominance. In contrast, Chile’s relations with Argentina have shown rapid improvements and issues relating to frontier disputes have been settled by civilian governments.

Contemporary Brazil–Argentine relations have almost completely overcome the ‘historical agenda’ and long-standing rivalries have faded into the background. Cooperation between the two countries extends into the most sensitive areas of national security. A series of confidence building measures dates back to the 1980s. Subsequently, we have seen nuclear facilities opened up to inspection and an agreement signed on non-proliferation. Closer political links have allowed the armed forces of the two countries to cooperate extensively. In the area of security, Chile has been much slower in entering into cooperative arrangements with Brazil and Argentina, due, in part, to a sceptical military. The case of Chile, post-Pinochet, is interesting because it demonstrates the impact that domestic political structures can have on the conduct of foreign relations. The continuing existence of authoritarian enclaves at the heart of the Chilean state has had a tangible effect on foreign policy. These enclaves ensured traditional geopolitical thinking continued to have an impact on policy through the 1990s. Escudé and Fontana (1998) argue that in the area of national security even the analysis of the Chilean Centre-Left have become heavily militarized. This contrasts with the citizen-centric policies of Argentina and is explained by the power exerted by the Chilean military throughout much of the 1990s.

Historical Narratives and National Identity

The distinct historical experiences of Brazil, Argentina and Chile have impacted upon their engagement with one another. Here we are discussing not only the different nature of the transitions to democracy but also the longer historical processes that have fed the national identities of these three countries. In the field of International Relations there has been much debate as to how salient a factor national culture is in terms of foreign policy. Realists, and neorealists in particular, have tended to decry the proposition that such subjective factors constitute an important variable in the international affairs opting instead to focus on power as the major determinant. For his part, Gilpin argues that perception plays a key role in determining how the costs and benefits of a particular course of action are analysed.


Foremost among the determinants of these perceptions is the historical experience of the society. What in particular, have been the consequences for the country from past attempts of its own and others to change the international system, and what lessons has the nation learned about war, aggression and appeasement.\(^{18}\)

In Brazil, Argentina and Chile there are strong national narratives based on the past, particularly the nineteenth century. Academics and practitioners in the area of international relations agree that history has played an important role in determining policy.\(^{19}\) In all three cases we can detect exceptionist tendencies in the national culture. That is to say, we find present political belief systems that emphasize the particular characteristics of that nation and its citizens. The relationship between the nature of exceptionalism and relative power is difficult to disentangle. Certainly in terms of co-temporality, one finds unexpected combinations. Argentina’s exceptionalist tendencies, emphasizing the influence of the country internationally, co-existed with a sharp decline in the country’s relative power. This relationship between changing power relations, national narratives and foreign policy is a fascinating area. Such was the profundity of the crisis in Argentine identity in the 1980s that it did have an impact on the conduct on international relations and a sharp break in policy occurred in the 1990s.

The foreign policy debate in Argentina after the return to democracy demonstrates the manner by which material circumstances can interface with long-standing beliefs about the characteristics of a nation and ideas about their place in the world. Menem’s foreign policy of the early 1990s was based on a realization that Argentina’s conduct on the world stage was out of step with the power relations in the hemisphere. The conclusion was that Argentina needed to ally itself more closely with the United States. Argentina’s political culture had previously been hostile to any acceptance of US hegemony in the region. Theoretically, this shift was informed by the debates in Argentina surrounding the nature of autonomy in the international system and profound questions as to the purpose of foreign policy. A strong tendency emerged in Argentine political and academic circles that questioned the notion that national autonomy was a function of Argentina’s ability to resist the will of the hegemon, the United States. A less strident notion of autonomy was developed wherein there was an acceptance of the limitations of autonomy in any system where power relations were uneven and social norms existed. The idea that the welfare of the citizens should form the basis of diplomacy also gained currency at this time. Di Tella (ex-foreign minister) argued that Argentina should avoid conflict with the great powers.


in order to maximize the welfare of the Argentine people. Following this logic, in a unipolar world it was imperative to maintain good relations with the United States. This position was informed by the politics of development. Indeed development was a centrepiece of politics across the region and foreign policy was often subordinated to the achievement of economic development.

**Economic Foreign Policy**

In the case of Chile trade considerations were the key drivers of foreign policy. Indeed such was the focus on trade that the government of Aylwin was criticized for devoting excessive attention to this area. Post-Pinochet, in macro-economic terms the country did not suffer the same trauma as Argentina. In fact the country’s economy during the 1990s was seen as the success story of the region. As a result, there was no wholesale re-examination of Chilean politics and institutions in the short term. All this is not to say that Chilean political culture was in stasis during this period. Important changes were taking place, many in response to the excesses of the Pinochet regime. These changes are best seen in the context of a gradual agreed (pactado) transition and the extreme reticence on the part of successive Concertación governments to address the issue of the past. This was in stark contrast to the confessional atmosphere pertaining in Argentina. This said, at a profound level, the Argentine and Chilean authorities in the 1990s shared a philosophy whereby ideologically driven politics were jettisoned in favour of pragmatism. In both cases this pragmatism was underwritten by the imperative of development.

With the Chilean military still maintaining that it had performed an historic duty in ruling the country for 16 years and handing back power to the civilian authorities, the belief amongst the armed forces was that they had nothing to apologize for. Powerful right-wing parties in the Congress who were anxious to protect the legacy of General Pinochet supported the armed forces in this belief. Thus, in the decade after the hand-over of power, the military and their supporters retained a good deal of influence in Chilean political life. As a result, there was some continuity in the country’s foreign policy. It remained dominated by a desire to open and maintain markets for Chilean exports. However, there were also some changes in Chilean foreign policy after 1990. The fact that a civilian government replaced Pinochet’s regime changed the atmosphere in which Chilean diplomacy took place. On taking power Alywin was warmly welcomed around the world, particularly in Europe where the previous regime had been extremely unpopular among the European Left. All this was in stark contrast to the isolation of the 1970s and 1980s. However, the Aylwin and Frei governments continued to concentrate on economic diplomacy and did little to raise Chile’s profile on the international stage. In other words, they

---


did little to re-institute a Chilean activist stance that existed prior to the coup of 1973. It is fair to say that their options were limited and the world had changed. The Cold War was over and in the early 1990s there seemed little chance of developing alternatives to the dominant paradigm of liberal economics and export led growth. In the case of Chile, with the country showing strong growth, there was no perceived need to develop an alternative and the priority remained to open up markets to Chilean exports.

Of the three countries in this study, Brazil demonstrates the highest degree of continuity in the area of foreign policy between the authoritarian period and the democracy which followed. As is the case with Chile, the explanation lies in part with the nature of institutional framework after democratization. Firstly, the reputation of the armed forces remained relatively intact and they retained some authority following democratization. Secondly, the Itamaraty, the elite within the Brazilian civil service charged with the management of the country’s foreign relations, retained their control over foreign policy throughout both the years of military rule and during the civilian administrations that followed. The major ideological currents underpinning Brazilian foreign policy remained constant. Brazil has seen itself as the dominant power in the Southern Cone, and the desire to build up strategic industries has been strong enough to resist pressures from the outside for wholesale reform. Hostility to United States’ interference, specifically in South America, has been consistent. The economic weight of Brazil in the region has afforded the country a higher degree of autonomy than its neighbours. In particular, Washington has long been aware that any hemispheric free-trade deal is worthless without Brazilian involvement. Brazil may have moved away from its import substitution model of development but the ambitions that informed that model are still present amongst the Brazilian elite. Insertion into the world economy is attractive to Brazil only if it helps to achieve the goal of creating a modern diversified economy.

In examining the foreign policies of Argentina, Brazil and Chile after the dictatorships a number of wider issues arise. Primary amongst these are the changes that have taken place in global trade over the decades. From the time of the coup in Chile (1973) to the Treaty of Asuncion in 1991, the nature of the world economy has been transformed. Not only had the economy changed but the world political map had also been profoundly changed. By the early 1990s the countries of the Southern Cone were faced with a new set of realities. The United States was the world’s undisputed hegemonic power and regional blocs were now part of the world’s political geography. In ideological terms, liberal market economics and free trade were in the ascendancy. In terms of the capital available to feed the process of development, short term and more mobile funds are now dominant. The imperative to attract such funding drives much of the politics of the Southern Cone. Mercosur is no different in this regard and so policy sets must be put in place in order to encourage inward investment.

In all three countries economic development is a key driver of foreign policy. During the so-called ‘lost decade’ of the 1980s, a heavy price was paid by large segments of the population. Robinson (2004) cites the example of Argentina in the
period 1980–2001. During this period, unemployment rose from 200,000 to 5 million, the number in poverty rose from 1 million to 14 million, illiteracy from 2% to 12% and functional illiteracy rose from 5% to 32%. In Chile, the policies of the Pinochet regimes impacted disproportionately on working class groups. The military governments resulted in a sharp rise in poverty levels. In the 1990s the civilian administration across the Southern Cone put a high priority on development as a way forward in tackling social problems. The chosen path of development in each case would prove to be an important determinant of foreign policy. The Chilean reliance on export-led growth led to differences of emphasis when compared to Brazil and Argentina who continued to rely, to a greater extent, on their much larger internal markets.

Regional Identity?

Regionalism has a long history in Latin America and important questions surround this element of the Mercosur regional project. Mercosur has been described as the most successful ever example of Latin American regionalism. It has also been distinguished from previous attempts at integration in the region. On this occasion the project was not driven by dependency theory and based upon a policy of import substitution, rather there was an implicit acceptance of the need to integrate the region into the world economy. This said, for many the importance of Mercosur lies beyond mercantile considerations. For Cardoso in 2001, Mercosur represented his country’s destiny and not a mere free-trade agreement. Similar sentiments are to be found among elements of the political elite in both Argentina and Chile, though in the case of the Chilean political elite there is perhaps less consensus on Chile’s future role in the Mercosur project. The issue of Mercosur’s external tariff is important (it is much higher than that of Chile) but there are more fundamental issues at stake. These issues relate to the future role of Chile in the international system, and go to the heart of debates around Chilean national identity and they are far from being settled. In Chile, as elsewhere in the continent, ‘exceptionalism’ is an important component of national identity. There are elements of that Chilean ‘exceptionalism’ that complicate the scenario with regard to Chile’s participation in regional projects. This is in part due to the country’s history and the manner in which its past has been interpreted. Chile’s geographical position also plays a part. Though less relevant in these times of global travel and high-tech communication, its position behind the formidable Andes and beneath the harsh deserts of the Atacama has lead to a sense of isolation from the rest of the continent. The Chileans came to see themselves as

---

22 Robinson, ‘Global Crisis and Latin America’.
an oasis of calm in a turbulent region. The local saying, ‘Una buena casa en un mal barrio’ (‘a good house in a bad neighbourhood’) expressed the sentiment. Such a philosophy has tended to lead the Chileans to eschew regional agreements for fear of being tarred with the same brush as their neighbours. The discourse surrounding Chilean attempts to negotiate an entry into the NAFTA during the early to mid-1990s were marked by this desire to see themselves as distinct from the rest of the continent. In 2003 Chile finally signed a Free-trade Agreement with Washington.

In Brazil and in post-Menem Argentina there is now less reticence about the Mercosur project and more sympathy for a Latin-Americanist viewpoint. Certainly, aspects of the relationship between Brazil and Argentina in the security area would tend to suggest that this project is more than just a temporary agreement on the way to full integration into the world economy. Mercosur and attempts to promote regional cooperation are not just economic projects. There is also an element of so-called ‘hard’ politics, in that, in coming together the countries of the region do increase their influence across the globe. The distinction between hard and soft power or high and low politics is problematic, this is particularly the case in Latin America with the stress on development and the reliance on trade in order to achieve that development. It is this focus on development that is both an important driver of the Mercosur initiative and potentially its undoing. The question that arises is whether or not Mercosur, as a political project, can withstand the development potential of a hemispheric free-trade agreement.

Regional arrangements in South America will take on a more permanent nature if there is a strong sense of solidarity in the region and if participants see their futures as closely tied to that of their neighbours. This is only partly a function of trade. Identity is also an important consideration in the region’s international relations. Latin American solidarity has a long history dating back to Bolivar. The manner of the initial break with their Spanish colonial masters closely tied the Argentine and Chilean nations. Those that liberated Chile crossed the border from Argentina under the leadership of an Argentine General, José de San Martin. In this regard Brazil had a distinct experience, playing host to the exiled Portuguese court. This said, here too there developed a strong appreciation of a shared identity with its neighbours. There is much that can be shared in terms of history and culture among the peoples of the region and the notion of Latino has a great resonance from the Rio Grande to Punta Arenas. However, as David Miller (1995) suggests identities are not only formed from what is on the inside but also by what is perceived to lie outside the borders. In this regard relations with the United States are crucial. Their great northern neighbour has both a centrifugal and centripetal effect on regional arrangements in Latin America. Good relations with Washington can be perceived to offer a great deal to peripheral nations. Certainly bad relations with the US can be very costly. During the 1990s both Santiago and Buenos Aires sought to foster close relations with the United States with a view to improving their economic prospects. In pursuing this course they eschewed closer ties with their neighbours.

In centripetal terms, Latin American is often defined in terms of its difference to the United States. The manner in which these differences are constructed varies widely. It can be constituted by a simple preference for so-called Latino values and can coexist with an admiration of the North American way of life. On the other hand it can be informed by a deep-rooted hostility to the United States born out of history, ideology or both. In the case of the more hostile, their position draws much of its energy from the reaction to repeated US intervention in Latin American affairs. In all three countries there is a long history of a nascent hostility to the US and this has fed into their respective foreign policies. According to Soares de Lima, cited in Da Motta (2002), the United States constitutes a pole of revulsion in Brazilian foreign policy. Much of the effort expended on the Mercosur project is driven by a desire to limit US influence in South America. The case of Argentina is instructive in that it shows both the centripetal and the centrifugal forces at work. For many decades up until the 1990s Argentina had one of the most consistently anti-US positions at the UN. Measured by their voting record, Argentina was more radical than either Libya or Iraq and was exceeded only by that of Cuba. Carlos Menem presided over a profound shift in Argentine policy. During the 1990s his government courted the US at every possible opportunity. Such was the change that in 1991 Argentina was one of the very few Latin American countries that voted in favour of a US-inspired resolution on human rights in Cuba. Such a pro US stance combined with Argentina admittance as an Associate Member to NATO, raised the hackles of its neighbours and tended to weaken the drive towards regional solidarity. Menem’s policy also attracted a good deal of criticism at home. Chile’s position with regard to the United States has been both more consistent and somewhat circumspect. Its reliance on exports into the North American market has tended to ensure a more conservative orientation in its relations with Washington.

Some Preliminary Conclusions

Post-2000, with the advent of centre-left governments in Argentina and Brazil combined with a more strident centre-left government in Chile, the region’s relations with Washington are thrown into sharp relief. In terms of good hemispheric relations the combination of leftist governments, an overtly interventionist Republican administration and the Chavez government in Venezuela, this is not the most propitious time. The insurgency in Colombia adds to the problems, with the Brazilian government anxious to avoid large scale US military intervention in a neighbouring country. With the departure of Menem, Argentina has become closer to Brazil and more distant from the United States and the determination of Lula and Kirchner to develop ties with Chavez in Venezuela has complicated the picture. As we see the

development of a Brasilia-Buenos Aires axis, the Chilean leadership is making more positive statements about closer involvement in the Mercosur project.

To sum up, there are a number of forces at play that determine the international relations of Argentina, Brazil and Chile. These forces cannot be isolated from one another and it is the interplay of these policy drivers that determine the nature of foreign policy. Firstly, there is the issue of the relative power of the three countries in question. In economic terms Brazil accounts for some two-thirds of the Mercosur GDP. It is the dominant force in the region and within the Mercosur bloc. Secondly, Mercosur has been perceived in various ways through time and there have been differences of emphasis in each of the member countries and in Chile. Within Brazil, Mercosur is perceived as a vehicle to maximize the country’s power. The Brazilians have been unwilling to allow their leadership of the bloc to be challenged for fear that any dilution of their influence would result in limited autonomy. In Argentina, the representation of Mercosur has varied according to priorities of the political leadership. During Menem’s tenure in office it was simply one of two tracks being pursued and would not be allowed to interfere in the more important project of building close relations with the United States. More recently under Kirchner’s administration, relations with Brazil have taken on a more strategic importance.

Thirdly, there is the overarching issue of relations with the United States. Here the issues of trade and non-intervention dominate as they have done for many decades. Fourthly, we have the impact of a changing international environment. On emerging from the ‘lost decade’ of the 1980s the countries of the Southern Cone were faced with a world where there was only one superpower. In economic terms the import substitution model adopted in the 1970s was no longer seen as viable and so insertion into the global economy was seen as a priority. As a result, across the region, we have seen the economization of foreign policy formation. Fifthly, the process of democratization has been extremely important. It has facilitated the development of a new atmosphere between the main regional protagonists. Geopolitical thinking, with its roots in nineteenth century, heavily influenced the foreign policy of Argentina, Brazil, and Chile. The respective militaries had all been schooled in this tradition hence it was only with their departure that a more positive ambience could be created. During the 1980s and 1990s relations improved across the region with long-standing border disputes settled and military rivalries fading into the background. Democratization has an explanatory power in that the nature of that process determined to some extent whether or not there was continuity or a change in policy between the old regimes and the new. In both Brazil and Chile there was a higher degree of continuity during the transition period to democracy. In Argentina such was the profundity of the institutional rupture that policy was inevitably affected. Sixth, there are the shifting patterns of national and regional identity to be discussed and in particular whether we are witnessing the re-emergence of a political regionalism. Lastly, there is the issue of development. Trade is now a crucial component of foreign policy. The impact of development politics is interesting, it is a key determinant, but development or even economic considerations do not always carry the day. The opposition of Southern Cone
countries to the invasion of Iraq is evidence of this. In Latin America as a whole, only Colombia, Nicaragua, El Salvador, the Dominican Republic, Panama and Costa Rica were part of the ‘coalition of the willing’. In the case of Chile, their position on the Security Council meant a very public defiance of the dominant power in the hemisphere, the United States.

From the perspective of the discipline of International Relations the question arises as to which paradigm of thought or combination of ideas best explain the realities of foreign policy formation in the countries of the Southern Cone. The case of the Southern Cone demonstrates the benefits of accepting the commensurability of theoretical perspectives in the discipline. Realist models explain the wish of Brazil to compete with the US and the manner in which it pursues greater autonomy in the region. However, at the periphery such is the imperative of development that foreign formulation cannot be separated from domestic political demands. Indeed for Brazil, it is suggested that foreign policy is but an extension of domestic policy. Such throughputs do not comply with classic realist conceptions of foreign policy being a separate field. Nor is it easy to integrate discussion of identity politics and the role of historical narratives into realist models and yet both possess an important explanatory power. Hence, we need to utilize the insights from other traditions in order to create a nuanced picture of the formation of foreign policy in the Southern cone. The nature of the Mercosur project serves to underline this position. It is driven by power politics in that it serves as a vehicle for Brazilian ambitions, the project is also strengthened by Latin American identity politics across the Southern Cone and it is strongly linked to domestic political agendas. In short, the international relations of Argentina, Brazil and Chile can only be explained by reference to competing and distinct forces in a complex social system.
References


Angell and Pollack (eds), The Legacy of Dictatorship: Political, Economic and Social Change in Pinochet’s Chile (The Institute of Latin American Studies. Liverpool: University of Liverpool, 1993).


Aylywin Azocar, Patricio, “Chile en el Camino Hacia la Paz y el Desarrollo” Forum Duesto Desarrollo y Paz an America Latina (Buenos Aires: Ciudad Argentina, 1995).


Baudrillard, Jean, Simulacra and Simulation (Ann Arbor: University of Michigan, 1994).


Bouzas, Roberto (ed.), Realidades Nacionales Comparadas (Buenos Aires: Altamira, 2002).


Burr, Robert, By Reason or Force (Berkeley: University of California, 1965).


Busso, Anabella, LAS Relaciones Argentino-Americanas a Finales del Gobierno de Menem y en los Inicios de la Gestiones de la Rua. Entre la continuidad y los condicionantes domésticos...
Calveter, Peter , The International Politics of Latin America (Manchester: Manchester University Press, 1994).
Campbell, David & Dillon, Michael , The Political Subject of Violence (Manchester; New York: Manchester University Press, 1993).
Cardosa, Henrique , Dependency and Development (Berkely: University of California, 1979).
139 Cavallo, Ascanio , Salazar, Manuel & Sepúlveda, oscar , La Historia Oculta del Régimen Militar (Santiago: Editorial Grijalbo, 1997).
Caygill, Howard , Violence, Civility and the Predicaments of Philosophy Campbell & Dillon (eds), The Political Subject of Violence (Manchester: Manchester University Press, 1993).
Chakrabarti Pasic , Sujata., Culturing International Relations Theory: A Call for an Extension in Lapid, Yosef & Kratochwil, Fredrich (eds), The Return of Culture and Identity in IR Theory (Boulder, Colo: Lynne Rienner Publishers, 1996).
Chanady, Amaryll (ed.), Latin America and the Construction of Difference (Minneapolis: University of Minnesota Press, 1994).
Chaney, Juan Carlos , Argentina: La Ambigüedad como destino La Identidad del País no Fue (Buenos Aires: Editoro Grijalbo, 1997).
Cimad amore, Alberto D. , Crisis e Instituciones Hacia el MERCOSUR del Siglo XXI in De Sierra, Jerónimo (ed.), Los Rostros del MERCOSUR (Buenos Aires: CLACSO, 2001).
Cocks, Geoffrey and Travis Thomas (eds), Readings in the Method of Psychology, Psychoanalysis and History (New Haven; London: Yale University Press, 1987).
Connolly, William E. , Identity and Difference in Global Politics Der Derian, James & Shapiro, Michael J. (eds), International/Intertextual Relations. Post Modern Readings of World Politics


140 Conway, Daniel W. Nietzsche & the Political (London: Routledge, 1997).


Da Motta Veiga, Pedro, Brazil in Mercosur: Reciprocal Influence Roett, Riodan (ed.), 1999.


De Ercilla, La Araucana (Santiago: Clásico Castalia, 1979).

De Toro, Alfonso, Post-Coloniality and Post Modernity: Jorge Luis Borges: The Periphery in the Centre, the Periphery as the Centre, the Centre of the Periphery De Toro, Fernando & De Toro, Alfonso (eds), Borders and Margins. Post-Colonial and Post Modernism. Frankfurt: Vervuert Verlag, 1995.


Dugini de de Cândido, Maria, Argentina Chile Mercosur Cambios y Continuidades (Buenos Aires: Ediciones Cuidad Argentina, 1997).


Egana, Rodrigo, Balance y Perspectivas de la cooperación internacional García Marcelo, Mas Allá de las Fronteras (Santiago: Editores Asociados Ltda., 1994).

Eguiguren, Juan Eduardo, Balance y Perspectivas de la cooperación internacional García Marcelo, Mas Allá de las Fronteras (Santiago: Editores Asociados Ltda., 1994).


Errazuriz, Hernán Felipe, Las constantes de Nuestra política exterior Diplomacia 46 (1988).


French Davis lecture on Mercosur, at the Institute of International Relations (Santiago, Chile. November 2000).


Gazmuri, Cristián, *The Armed Forces in Democratic Chile* in Angell and Pollack (eds), *The Legacy of Dictatorship: Political, Economic and Social Change in Pinochet’s Chile* (Liverpool, 1993).


Hepple, Leslie W., *Metaphor, Geopolitical Discourse and the Military in South America*. Barnes, Trevor J. and Duncan, James S. (eds), Writing Worlds. Discourse, Text and Metaphor...
Hernández, José Martí Fierro (Barcelona: Editorial Juventud, 1995).
Hirst, Monica , The Foreign Policy of Brazil: From the Democratic Transition to its Consolidation in Munoz, Heraldo & Tulchin, Joseph (eds), Latin America in World Politics (Boulder, Westview, 1996).
147 Hosti, K.J. , Mirror, Mirror on the Wall, which are the Fairest Theories of All? International Studies Quarterly Volume 33 (1989).
Irigoín Barrenne, Jeanette, De la Democracia de los Acuerdos Internacionales Sánchez & Pereira (eds), 150 Anos de Política Exterior Chilena (Santiago: Editorial Universitaria Santiago de Chile, 1977).
Insulza, José Miguel , Ensayos sobre política exterior de Chile (Santiago: Editorial Las Andes, 1998).
Jenkins, Keith , On What is History (London: Routledge, 1995).
Joignant, Alfredo & Menendez, Amparo , De la Democracia de los Acuerdos las dilemas de la polis. Transicióincomplete o ciudadanía pendiente? Menéndez, Amparo (ed.). La Caja de Pandora (Santiago: Planeta, 1999).
Katzman, Martin T. , Translating Brazil Econmic Potential into International Influence Selcher, Wayne A. , Brazil in the International System: The Rise of a Middle Power (Boulder:
148 Kaufman Purcell, Susan, The New U.S.-Brazil Relationship in Kaufman Purcell, Susan & Roett, Riordan (eds), Brazil Under Cardoso (Boulder: Lynne Rienner, 1997).
Kratochwil, Friedrich, The Ship of Culture at Sea or Returning in Lapid, Yosef & Kratochwil, Fredrich (eds), The Return of Culture and Identity in IR Theory (Boulder, Colo.: Lynne Rienner Publishers, 1996).
Lapid, Yosef & Kratochwil, Fredrich (eds), The Return of Culture and Identity in IR Theory (Boulder, Colo: Lynne Rienner Publishers, 1996).
Lechner, Norbert, Nuestros Miedos en Chile Entre la II Cumbre y la detenciónde Pinochet (Santiago FLACSO Chile, 1998).
Lechner, Norbert & Guell, Pedro, Chile: La política de la memoria, Amparo (ed.), La Caja de Pandora (Santiago: Planeta, 1999).
Levinas, Emmanuel, Of the God that comes to Mind (Stanford, California: Stanford University Press, 1998).
Lira, Elizabeth & Loveman, Brian, Las ardientes cenizas de olvido (Santiago: Lom Ediciones, 2000).
(Santiago: Prospel, 1990).


Nolte, El Juicio de la Historia Espéctros del Pasado en América Latina en Chile Entre la II Cumbre y la Detención de Pinochet* (Santiago: Flasco Chile, 1998).


Orrego Vicuña, Francisco, *Chile las Modernizaciones Pendientes y su Incidencia en las Relaciones Internacionales para el Siglo XXI* (Santiago: Consejo Chileno Parla Las Relaciones Internacionales, 1993).


Purdyar, Jeffrey, *Thinking Politics: Intellectuals in Democracy in Chile* (Baltimore, Maryland; London: Johns Hopkins University Press, 1994).


154 Rayas Arevena, Francisco, *Chile y Argentina: hacia una política de complementación binacional y subregional* in *Política Exterior y Tratados Argentina Chile Mercosur* (Buenos Aires: Ciudad Argentina, 1999).
Rippy, Fred J. , Latin America (Ann Arbor: The University of Michigan, 1958).

Roa, Armando , Chile y Estados Unidos: sentido histórico de los pueblos (Santiago: Dolmen, 1997).


Rojas Aravena, Francisco , ChileBero: revisando las agendas con una mirada de futuro in Chile: entre la II cumbre y la detenciones de Pinochet (Santiago: Flaco, 1998).


Sacsone, MaríA Alejandro , 'Aspectos políticos-diplomáticos de una nueva prioridad de la política exterior Argentina: el Mercosur CIRIR (eds), La Política Exterior del Gobierno de Menem. Seguimiento y reflexiones al promediar su mandato (Rosario: Ediciones CIRIO, 1994).


Tulchin, Joseph S., "Continuity and Change in Argentine Foreign Policy" in Munoz, Heraldo & Tulchin, Joseph (eds), Latin America in World Politics (Boulder, Colo.: Westview, 1996).


Valenzuela, Arturo, Party Politics and the Crisis of Presidentialism in Chile: Diamond, Larry, Linz, Juan J. & Lipset, Martin Seymour (eds), Democracy in Developing Countries (Boulder, Colo.: Lynne Rienner, 1984).


Van Klaveren, Alberto, Understanding Latin American Foreign Policies Munoz, Heraldo & Tulchin, Joseph (eds), Latin America in World Politics (Boulder, Colo: Westview, 1996).

Van Klaveren, Alberto, Hacia un regionalismo abierto en Estudio Internacionales (Santiago: Instituto de Estudios Internacionales de la Universidad de Chile, 1997).

Van Klaveren, Alberto, Inserción internacional de Chile: Toloza, Cristian & Lahera, Eugenio (eds), Chile en los noventa (Santiago: Dolmen Ediciones, 1998).


Vial Correa, Gonzalo, Historia de Chile. Educació Media (Santiago: Santillana, 1994).

Vidal, Hernán, Política Cultural de la Memoria Histórica, Derechos Humanos y Discursos Cultural en Chile (Santiago: Mosquito Editores, 1997).


Wilhelmy, Manfred & Fuentes, Cristián, *De la reinserción a la diplomacia para el desarrollo: política exterior de Chile 1992* Van Klaveren, Alberto, América Latina en el mundo (Santiago, Propil Editorial los Andes, 1997).


Zizek, Slavoj , Fantasy as a political category in Elizabeth and Edmond Wright (eds), The Zizek Reader (Oxford, UK; Malden, MA.: Blackwell Publishers, 1999).