Paradiplomacy and the Diffusion of Regional Integration: An Analysis of the Mercocidades Network

Armando Gallo Yahn Filho

Abstract

The process of regional integration in South America, more specifically with regard to MERCOSUR, took place in parallel to an increase in the municipal paradiplomacy. The globalization process, which took place after the end of the cold war, opened a greater participation of sub-national actors in international relations, not only because of the inability of the State to satisfy all local demands, but also because the sub-national governments’ perception of a new opportunity opened for cooperation. In this sense, the South American regional integration process, which gave rise to MERCOSUR, was a base for the creation of an intermunicipal network called MERCOCIDADES, which resulted in an institutional space for greater involvement of sub-national governments in the regional integration process, with the establishment of the Consultative Forum of Cities, States, Provinces and Departments of MERCOSUR. That is, the diffusion of the integration process, from a paradiplomatic perspective, was an important element for the incorporation of new actors, strengthening it and making it more opened to local demands. It is said that the local is at the basis of national development, considering the "islands of development" which are built along the territory of a country.

1. Introduction

The economic integration process in South America, more specifically the constitution of Mercosur, has its importance considering the interdependence among the world countries and the fact that the cooperation is the base for solution to global problems.

However, the globalization process which is derived from this complex interdependence opens for new actors´ participation in international relations, among them the sub-national governments. In this way, globalization also opens space for sub-national units and non-governmental actors, which cooperate for the solution to

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1 Professor in the course of International Relations at the Federal University of Uberlandia, Ph.D. in Political Science (State University of Campinas) and M.Sc. in International Relations (State University “Julio de MesquitaFilho”).
local problems. These problems were before in the sphere of competence of central governments.

If globalization is felt firstly in the local space, the regional integration doesn’t leave to be the response of sub-national units to this phenomenon. That is to say that there is no regionalism without the incorporation of sub-national dimension, deriving from that the participation of cities and others non-state actors for the success of this integration process.

Moreover, the concretion of regional projects, such as those of South American infrastructure, passes through the local sphere. After all, any international workmanship may take in consideration the impacts generated in municipal territories and the acceptance of the political, economic and social actors in these localities.

2. Region, Regionalism and Regionalization

Defining the concept of region is fundamental to deep our analysis on the regional integration phenomenon taking into account the participation of sub-national actors. According to Louise Fawcett (2004), a wide understanding of region allows us a more adequate comprehension of regionalism and regionalization.

A region must not be restricted to territorial issues or confined to states boundaries. Indeed, a region could be composed by sub-national, supranational or transnational units, with different models of organization and collaboration. (FAWCETT, 2004: 432)

Although we are thinking of regional cooperation, nothing prevents it from occurring based on shared problems in non-contiguous territories, with cities experiencing the same disorders and demanding the same solutions which can be reached more easily through cooperation.
Thus, another important issue to be emphasized is the fact that regions don’t need to be necessarily contiguous (FAWCETT, 2004). If we think on Mercocidades, for example, we are talking about a model of regional organization composed by sub-national units which doesn´t include geographic contiguity.

It is important to distinguish regionalism from regionalization. According to Louise Fawcett, these two terms, despite being predefined by geographic, political, economics, strategic and cultural aspects, may be considered in an environment governed by rules, trends, values and practices related to different regional and global characteristics (FAWCETT, 2004: 429).

Regionalism “implies a policy whereby states and non-state actors cooperate and coordinate strategies within a given region” with the aim of pursuing and promoting “common goals in one or more issue areas” (FAWCETT, 2004: 433). This definition takes us to the conclusion that inside the concept of regionalism is implicit the idea of actors´ shared wills.

Regionalism thus conceived – as policy and project – evidently can operate both above and below the state-level; and sub- or supra-state regional activity can inform state-level activity, and so on. Indeed, a truly successful regionalist project nowadays presupposes eventual linkages between state and non-state actors: an interlocking network of regional governance structures (…). (FAWCETT, 2004: 433)

The regionalism is a way to confront problems which states cannot do alone. For many times the regionalism emerges as a way to confront problems which are born outside states´ boundaries and have their consequences inside their territories. An example is the diversity of regional blocs which were created to confront the effects of globalization or environmental issues, as global warming.

Besides that it’s necessary to consider that the geographic space inside national territory is almost always under a local administration. In this sense, when we talk about regional integration as a way to solve national problems, it is unavoidable to think also in local problems. According to Maria Del Huerto Romero (2004: 413), “in terms of integrated territories, it is in the local level that citizens feel, daily and directly, the impacts of integration process”.

According to Fawcett:

If regionalism is a policy or project, regionalization is both project and process. Like globalization, it may take place as the result of spontaneous forces. Basically, it means no more than a concentration of activity at a regional level. This may give rise to the formation or shaping of regions, which may in turn give rise to the emergence of regional groups, actors and organizations. (FAWCETT, 2004: 433)

We could take as an example of regionalization in South America, specifically in the environmental aspect, the case of exploration in Amazon Forest and all the consequences arising from that, culminating in the Amazon Cooperation Treaty, which was originally an international regime and now it is an international organization. Even in South America, the energetic issue, added to the navigation issue, has been the cause of regionalization of water resources, more specifically in the Plata Basin.

As an example of regionalism, we could take the Initiative for the Integration of Regional Infrastructure in South America (IIRSA), which is based on unilateral, bilateral and multilateral sub-projects meeting the interests of all states involved in the large project. A specific example is the International Airport of Viracopos, in the city of Campinas, which is being expanded under the sole responsibility of the Brazilian state, but will serve as a gateway to the exports of all Mercosur’s countries.

Independently of the regionalization processes or the politics and regionalists projects, it is observed that regional integration cannot be considered only as an interstate phenomenon, leaving sub-national and non-state actors outside the system. According to Maria Del Huerto Romero (2004: 412), “the cities reshape (or has been reshaping) their international, regional, and mainly national roles as the response to the structures of opportunities and the matrix of impacts derived from the immediate surroundings of regional integration”.

According to Marcelo and Karina Mariano:
The processes of globalization and regional integration are no longer state policy and were incorporated to the cities policies, influencing directly the actuation of sub-national governments. Consequently, there was a reshaping of their roles in the international scenario, mostly in the case of integrationist processes. (MARIANO & MARIANO, 2005: 148)

In this sense, we take neofunctionalism theory as the base, which builds the explication of regional integration upon the utilitarian dimension, describing a process “whereby political actors in several distinct national settings are persuaded to shift their loyalties, expectations, and political activities towards a new and larger centre, whose institutions possess or demand jurisdiction over the pre-existing states” (HAAS apud MATTLI, 1999: 24).

Based on neofunctionalist network, we reinforce our main assumption that subnational and supranational actors are essential to the regional integration:

The primary players in the integration process are above and below the nation-state. Actors below the state include interest groups and political parties. Above the state are supranational regional institutions. These promote integration, foster the development of interest groups, cultivate close ties with them and with fellow-technocrats in the national civil services, and manipulate both if necessary. (MATTLI, 1999: 24)

In this case, discussing regional integration, it is necessary to understand that all interests in game come from actors which are in lower levels than states and they reach their aims building supranational actors, in form of international organizations or regimes.

Also within the analytical attributes of neofunctionalism, it is important to emphasize that all the reasons which conduct to the regional integration are the political interests under an utilitarian conception, differing completely from the functionalist ideas of good will, dedication to the common good and harmony of interests. According to Walter Mattli (1999: 25), "the supranational actors are likewise not immune to utilitarian thinking. They seek unremittingly to expand the mandate of their own institutions to have a more influential say in community affairs”.

It is utopia to imagine that a process of regional integration follows a functionalist and Kantian perception (welfare to all and perpetual peace). Once it is
difficult to think about it in terms of a state-centric perspective, it is much more difficult if we bring this integration to the sub-national level, like in the case of cities’ networks, because there are much more actors involved.

However, thinking about the utopia of a harmony of interests doesn’t mean the impossibility of success of a regional integration process. At least, this integration brings a perspective of gain based in the interdependence among actors and in the complementarity of their activities, whether political, economic or social.

In the sphere of Mercosur, Felix Peña confirms what was put above:

In positive terms, we need to detach the cumulative learning about how to develop an integration process – which wishes to be deep – among nations with different economic dimensions, which have chosen to associate permanently and work together in the international scenario. It is understood that they do so by realizing that it suits them. That is, by perceiving in the development of a common economic space an intelligent way of satisfying their national aims and interests, immediate and long term ones, whether in economic or political aspects. (PEÑA, 2006: 146)

Inside a neofunctionalist perspective, Felix Peña put, in 2006, as a challenge to Mercosur, the demonstration that “the natural conflicts among its partners can be solved according to the deepening of their joint visions and work methods which ensure mutual profits” (PEÑA, 2006: 147). Once more, we emphasize that, in an interdependent world, the pursuit of individual interests can only be made through cooperation. That is, the concept of cooperation is not contradictory to neofunctionalist utilitarianism.

3. Multilevel governance and rescaling of state: the case of Mercocidades

It is during the consolidation of a regional integration, in an upward way, that the multi-level governance is verified, which is defined as “a system of continuous negotiation among nested governments at several territorial tiers”, being inserted inside political networks that surpass the limits of public level (MARKS apud BACHE & FLINDERS, 2004: 3). In this sense, according to Ian Bache and Matthew Flinders, the multi-level governance concept contains both horizontal and vertical dimensions.
“Multi-level referred to the increased interdependence of governments operating at different territorial levels, while governance signalled the growing interdependence between governments and non-governmental actors at various territorial levels” (BACHE & FLINDERS, 2004: 3).

In this sense, bringing the multi-level governance to the Mercosur context, we return to Felix Peña´s work (2006: 147):

It matters that the discussion about Mercosur is part of something wider referring to the building of a South American space of cooperation and integration. A work forward is the consolidation of a common institutional space in which the multiple diversities are fitted.

In this same way, Gary Marks and Liesbert Hooghe “claim that governance must operate at multiple scales in order to capture variations in the territorial reach of policy externalities” and “to internalize externalities, governance must be multi-level” (MARKS & HOOGHE, 2004: 16).

Thus, we take the Neil Brenner´s thesis (2004), according to which in a globalized world there is a diminution of the centralized role of the state in the regulatory process, however this redistribution of functions to the local scales does not withdraw completely the role of state in its development process. Moreover, this multi-scale restructuring brings the concept of governance which extrapolates the national border. That is, the city is the place where things happen in a globalized world, but the state does not leave to be the main actor in the international system, although redistributing its functions to the main cities and regions which compose its territory.

Brenner´s aim, studying the rescaling of the state, is focused in the regulation of capitalist urbanization and institutional mediation of the uneven geographical development. In the author´s words:

In the most general terms, uneven geographical development refers to the circumstance that social, political, and economic processes under capitalism are not distributed uniformly or homogenously across the earth´s surface, but are always organized within distinct sociospatial configurations – such as urban agglomerations, regional clusters, rural zones, national territories,
supranational economic blocs, and so forth – that are characterized by divergent socioeconomic conditions, developmental capacities, and institutional arrangements. (BRENNER, 2004: 12, 13)

And considering the role of enterprises in the integration process, as well as the rules created by common institutions to serve their interests ensuring the access to the wide market and diminishing the structural or artificial asymmetries among the member countries (PEÑA, 2006: 146), we could link the interests involved in the regionalism to the localities presented as “islands of development” in the same countries. In this sense, we reinforce once more the role of localities in the regional integration and the weight of a multi-level governance for the success of a supranational institution.

At least, if the state cannot protect its sub-national units from the foreign devastating effects (economics, mainly), it cannot prevent them of defending their interests by themselves, sometimes contributing with the state (KINCAID, 1990: 56). However, this action by themselves does not always occur without the participation, although indirect, of other government levels and non-governmental actors.

In the same Peña´s line of reasoning, Tullo Vigevani emphasizes that Mercosur represents an incentive to the foreign trade of member countries, both inside and outside the bloc, making the bloc as a platform of market beyond the region, what becomes a motivation factor for the bloc consolidation, and not its failure. (VIGEVANI, 2005: 107, 108)

And considering the enterprises´ interests in the bloc during the continuity of integration process, it is taken into account the sub-national aspect, including other government levels and the participation of society in the decision process. (VIGEVANI, 2005: 108, 109)

Thus, considering that business interest groups are linked to specific cities, which are considered “islands of development” in the national territory, their mayors may be their representatives in the integration process. It takes us to the discussion about the role of Mercocidades in the South American integration process, more
specifically Mercosur, contributing with the multi-level governance which strengthens the decision making in the supranational level.

3.1. Mercocidades Network and its consequences

In Mercosur, the experience of participation of subnational governments in an organized method started in 1995, in the seminar "Mercosur: options and challenges for cities", which was realized in Asunción, Paraguay. As a result of this seminar, the Asunción Declaration, signed by the mayors from paraguayan´s capital and Montevideo, as well as by representatives of Brasilia, Rio de Janeiro, Buenos Aires and Santiago, highlighted the need for the creation of a cities´ network in the Mercosur, which would be the way of subnational units´ involvement in the decision process of the bloc.

So, in November of that year Mercocities Network was created, and its Act of Foundation was signed by eleven Mercosur´s cities: Asunción, Montevideo, Rosário, Córdoba, La Plata, Porto Alegre, Florianópolis, Curitiba, Brasília, Salvador and Rio de Janeiro.

The Asunción Declaration (1995), Mercocidades´ document of creation, makes explicit that “cities constitute spaces of human interaction with growing importance and their administrative organizations represent active entities of political participation that cannot be alien of the globalization”. Also as the reason of this document, it is understood that “the municipal institutional representation play an essential role in the process of regional integration, once many of their aims coincide with Mercosur´s.

Though, we return to our argument that the interests of sub-national units, as the problems brought by globalization to them, does not fail to coincide with the State´s. At least, if Mercosur is representative of its members, it is also representative of all federated units and other non-state actors which are inside the countries.
Thereby, it is natural that the consolidation of Mercosur depends on the neofunctionalist logic based on *spillover* and *upgrading of common interests* (MATTLI, 1999: 25). Thus, not only existing a spillover of actions that were centralized in the state level, in the integration process, but also bringing to light other actors´ interests, by means of other intermediary institutions, as it occurs with Mercocidades.

Such neofunctionalist vision meets Maria Del Huerto Romero´s thinking:

(...) the participation of cities constitute a counterweight to the democratic deficits which characterize the most part of integrative processes. The decision making in the formation of regional blocs in the world tends to be centred in the capital cities of the member countries. (ROMERO, 2004: 412)

Since its foundation, Mercocidades showed its intention of bringing to the supranational level the common interests of cities and others non-state groups inside them, that is, all that was in the horizontal dimension among the cities. In the items 2 and 3 in the Asunción Declaration, there are the following objectives:

2. To create a council of Mercocidades composed by city mayors, as an intermunicipal entity, in order to have an active participation in Mercosur.

3. To incentive the recognition of this participation the Mercosur´s structure, seeking the co-decision in its competence issues.

Notwithstanding the progress caused by the creation of the Mercocidades Network, regarding to the participation of subnational units in the regional integration process – including the establishment of a permanent Technical/Administrative Secretariat –, there was still a need for a space of representation to subnational governments inside the bloc´s legal and administrative structure. Thus, in 2000, it was created the *Specialized Union of Municipalities and City Halls*, formalized by the Resolution 90/00 of the Common Market Group (Brasília, 12/07/2000) and the Decision 59/00 of the Common Market Council (Florianópolis, 14/12/2000). (ROMERO, 2004, p. 430 et seq.)
Nevertheless, even after all the Mercosur’s institutional evolution, incorporating municipal governments in the bloc’s legal structure, a gap still remained: what roles do federated states, provinces and departments play in the Southern Cone’s regional integration process and what is the institutional space which is due to them in the bloc’s structure?

Given this, and expanding the interpretation on the role that local governments play in any integration process, it was created, on September 5th 2001, the Governors’ Forum of Mercosur, whose main objectives were: 1) to contribute to the strengthening and consolidation of Mercosur and its consequent institutional improvement, 2) to promote the participation of States, Provinces and Departments in the integration process, favoring the creation of effective channels of citizens’ expression in the consolidation of the regional bloc.

This evolution of the subnational participation in the integration process culminated in the creation of the Consultative Forum of Municipalities, Federated States, Provinces and Departments of Mercosur, by the Decision 41/04 of the Common Market Council, during the Summit of Ouro Preto (Belo Horizonte, 16/12/2004), which has as its own justification “that the development of the integration process has an increasing political dimension, which requires systematic and coordinated actions of all actors involved”.

In Article 1, the Decision 41/04 (CMC) provides that the Consultative Forum’s objective is “to encourage dialogue and cooperation among the municipal, state, provincial and departmental authorities from the Mercosur’s countries”. This Forum “will succeed Specialized Union of Municipalities and City Halls” (art. 2) and “will consist of a Committee of Municipalities and a Committee of Federated States, Provinces and Departments” (art. 3).

As the Economic and Social Consultative Forum has the function of representing civil society sectors – with the participation of the Central Trade Unions, Confederation of Industry, Commerce, Agriculture and Transport, and the Brazilian Institute of Consumer Protection –, the Consultative Forum of Municipalities,
Federated States, Provinces and Departments has the function of representing subnational units and may "propose measures aimed at coordinating policies to promote the welfare and enhance the quality of life of [its] inhabitants (...) and make recommendations through the Common Market Group" (art. 4).

By analogy, we can take as valid the teachings made by Maria Inês Barreto and Marcelo Mariano on the Economic and Social Consultative Forum and apply them for the new Consultative Forum of Municipalities, Federated States, Provinces and Departments:

To constitute a channel of participation [of the sectors involved], this forum has played double role, promoting the inclusion of these actors or paving the way for the establishment of relations of identity and solidarity among those that find similar interests and affinities. (BARRETO & MARIANO, 2004, p. 41)

Thus, this new Consultative Forum, specifically in the Committee of Municipalities, focuses two dimensions of the problem of local governments’ integration in international relations, defined by Maria Del Huerto Romero (2004, p. 404) as horizontal and vertical. The former is related to cooperation strategies and alliances across borders, embodied in Mercocidades Network, and the latter is related to participation in the formulation of common policies in Mercosur, embodied in the Specialized Union of Municipalities and City Halls.

Thus, the Mercocidades Network – which does not disappear – has an important role in the consolidation of the Committee of Municipalities inside the Consultative Forum. And, along with the Committee of the States, Provinces and Departments, it contributes to the institutionalization of subnational governments in the regional integration process.

It is necessary to say that the Consultative Forum of Cities, Federated States, Provinces and Departments may be the vertical communication channel between sub-national units and supranational institution. However, the horizontal relations established by Mercocidades are essential for actualizing common interests before reaching the levels of decision making inside the bloc.
4. Conclusion

Finally, region – defined as the geographic space whereupon a regional bloc, such as Mercosur, is constituted – is also divided in sub-regional spaces, which can be defined as “islands of development” in the States.

Thus, the interests which are behind the building of regional economic blocs, more specifically business interests, can be identified inside localities that, taken together, are not always presented in geographic contiguity.

So, to define the main objectives of a regional economic bloc and to reach the success of its behaviour depends on the capacity of insertion of its sub-national units – which may represent the interests of non-governmental actors – inside the decision levels of regional bloc.

In the case of Mercosur, Mercocidades Network is the outcome of a functional spill over of the integration process to the cities and their actors, taking to the supranational level, by a multi-level governance, the actualization of common interests reached in their horizontal relations.
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