



Is further integration of the UNASUR
possible when applying the three
models of European integration?

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Executive Summary

The purpose of this thesis is to document research conducted at The Hague University of Applied Sciences on the topic of European and Latin American Integration, more precisely the UNASUR. The central question to this research was:

Is further integration of the UNASUR possible when applying the three models of European integration?

In order to answer this question, different research methods were chosen. Desk research was conducted to build a basis of knowledge on the European Union and the UNASUR, as well as on the three models of European integration. The three models chosen for this research were Supranationalism, Intergovernmentalism and the Economic Integration Theory. As qualitative research, an interview was conducted with an expert on Latin American politics, the ambassador of Chile to the Hauge, Ms. M. T. Infante.

The research showed that there are several differences and similarities among the two Unions. However, the differences seem to be predominant. The UNASUR is clearly not build on an economic core, and does neither have court nor a parliament. Additionally, the European Union was created to ensure peace among its members through economic dependence, which is not the case within the UNASUR.

As to the models of integration, the UNASUR clearly follows the intergovernmental model and keeps a rather loose bond between the Member States. Compared to the European Union, it has almost no supranational traits, it rather masks tasks as supranational. However, after a closer inspection, they turn out to be not supranational.

This led to the conclusion that further integration is rather unlikely, because states do not really show the initiative to transfer sovereignty to a supranational body. However, the agreement is already very intergovernmental, so there will rather not be an increase in the status of integration. As long as the states are not willing to give in to Supranationalism, further integration is rather unlikely.

It is recommended that further research is done on regional integration outside the European Union, meaning other agreements in Latin America and more regions, as well as research on other models of integration applied to the European Union and UNASUR.

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Introduction

The purpose of this thesis is to document research conducted at the Hague University of Applied Sciences on the topic of Latin American integration, more precisely the UNASUR (Unión de Naciones Suramericanas). The UNASUR is an organization for cooperation between South American states. The three models of European integration, which are Supranationalism, Intergovernmentalism and the Economic Integration Theory, will be applied to the UNASUR.

The European Union has constantly been integrating since the first treaties in the 1950s. Latin America has been struggling since its independence, beginning in the late 18th Century, with the lack of stable relationships and even more, with continuous regional integration. Agreements have been made, both of economic and political nature, such as the MERCOSUR or CARICOM. The latest agreement was made in 2008. This was the UNASUR, which seems to have some factors in common with the European Union. The UNASUR is allegedly supranational, or at least has some supranational traits, and additionally presents itself as such. This research compares the structure of the UNASUR to the one of the European Union. It also aims to study the possible developments of UNASUR along the lines of the European Union and its history. The two Unions cannot be compared as such because the European Union is far more advanced. The history of the European Union reaches back several decades, whereas UNASUR's history only includes eight years until now. The structure of both can be compared and analyzed, but it has to be taken into account that the European Union is far older and much more integrated. Therefore, the question of this research is:

Is further integration of the UNASUR possible when applying the three models of European integration?

The central question will be divided into five sub-questions. The first question will shed light on the nature and structure of the UNASUR. This will be followed by an explanation of the three models of European integration. The two next questions will compare European integration to the one of the UNASUR to discover similarities and differences. The last subquestion will detect to what extent the three models of European integration are or can be of use to the UNASUR.

UNASUR is an agreement made in South America, but not the only one. Before the establishment of the UNASUR, several other agreements like the MERCOSUR (a common market in the South of Latin America), or the Pacific Alliance (a free trade area) have been made. UNASUR is one of the youngest agreements, that seems to resemble the European Union, mostly for its supranational structure, its political nature and the large amount of Member States. It also includes countries

across the whole continent, unlike the Bolivarian Alliance for the People of Our America (ALBA), which only includes mostly countries from the North of South America, Central America and the Caribbean, whereas UNASUR includes the whole of South America. South America has many economically strong countries, like Argentina and Brazil, which are important for a successful development of the UNASUR. Additionally, all MERCOSUR countries are included in the UNASUR. Associate States of the MERCOSUR are also Member States of the UNASUR (MERCOSUR, n.d.). UNASUR seems to be a possibility to unite South America beyond a simply economic level.

Similar to the European Union, the South American countries share a common heritage. First of all, the whole continent was colonized by either the Spanish or the Portuguese, who left their latin-based languages, as well as their religion and some cultural features. Secondly, the countries share the common indigenous heritage from civilizations living throughout the Andes, for example the Inkas. The countries have, culturally speaking, many concordances that would facilitate a unification.

The path UNASUR might take in the future can be of far-reaching importance for the European Union (and other unions/nations), because their success facilitates uniform cooperation with the South American region. Untroublesome coordination of economic and political arrangements with a union of countries instead of negotiations with every single country would be an asset. The UNASUR has certain similarities to the European Union, so it might be likely to follow the same integration course as the European Union.

Methodology

The methods used to research the question will be mainly the collection of secondary data through desk research to build a basis for the analysis. For the analysis and application of the models of European integration to the UNASUR, and for the later given recommendation of a possible solution for further integration, primary data will be collected by conducting in-depth and/or structured interviews with experts on the topic.

Requests for interviews were sent to several embassies, such as the embassy of Brazil, Argentina Venezuela and Uruguay. However, due to the tight schedule towards the end of the year, with most it was impossible to agree on a time slot in which they could give an interview of approximately half an hour. The Embassy of Argentina additionally did not have any person available to be interviewed that would be sufficiently expertized in this specific area. The Brazilian point of view would have been specifically interesting due to the UNASUR being an initiative of

Brazil. Finding out more about the reasons why Brazil decided to inaugurate an organization of that kind would have been valuable. However, the other embassies were consulted for an appointment, because they are economically seen rather strong, compared to others within the UNASUR, and additionally cover rather large territories with a major part of the population of UNASUR. The only exception is Uruguay, which is rather small in size and population.

The only interview was conducted on the fifth of December 2016 with the ambassador of Chile to the Hague, Ms. María Teresa Infante. Ms. Infante is a professor in law, specialized in international and maritime law. However, as an ambassador she has a political mission as well, representing Chile to the Netherlands. Therefore, she has an advanced knowledge of the current state and Chile's position in the international organizations Chile is part of.

Furthermore, two teachers of the partner university of the Hague University of Applied Sciences in Argentina called Universidad Argentina de la Empresa, have been asked for an interview. Both teach classes on Latin American politics, including Latin American integration. Both already possess several academic titles, offer projects and seminars also outside the Universidad Argentina de la Empresa, and publish their own works. They agreed on doing a structured interview via e-mail since they both live in Buenos Aires, but after sending the questions, no answer came back, most likely because the Argentine universities are preparing for their summer break.

Literature Review

The European Union is the most advanced model of regional integration to be found today and by far the only one having developed supranational organizations representing the union. Over the past half century, integration took place in different ways. Several scholars give different points of view and different interpretations to integration in both regions. According to Buonanno and Nugent (2013), there are three main theories on how European integration developed. As already mentioned, these models are Supranationalism, Intergovernmentalism and the Economic Integration Theory. This thesis will focus on these authors for describing the models because they offer a very explicit definition of the models. Furthermore, they name examples and put the models in the historic context they were developed in. The description of the models will be completed by definitions given by Rosamond (2000), Schout and Wolff (2010), Leuffen, Rittbergen and Schimmelfenning (2013) and Bache, Bulmer, George and Parker (2015). One of Philippe C. Schmitter's work (2002) is used to help clarify the differences between Supranationalism and Intergovernmentalism. Schmitter is a well-known scholar in the world of integration. However,

Buonanno and Nugent (2013) are the only authors explaining the Economic Integration Theory in detail. Other scholars do not mention this theory in such detail, rather in connection with other models, therefore, Buonanno and Nugent (2013) are the main source of reference for this model.

The book of van Ooik and Vandamme (2013) includes the Treaty on the Functioning of the European Union. The Treaty is used as the primary source of information on European Union politics, together with the website of the European Union to explain its structure. The importance and function of the Parliament and the Court of Justice of the European Union are explained by Wessels and Diedrichs (1997) and Persson, Roland and Tabellini (1997) in order to highlight the impact they have. Krijtenburg (2012 & 2016) outlines very well the initial ideological traits the European Union was built on by analyzing one of the founding fathers of the European Union, Robert Schuman.

Integration in Latin America is a frequently discussed topic. There are many different organizations and agreements existing already, each researched in detail already. There seems to be a general sentiment of crisis in Latin America when it comes to integration. As Malamud (2013) points out, organizations, both economic and political, in Latin America exist plentiful but they are rather competing and trying to outdo each other than actually functioning. He also says, in accordance with Schneider (2001), that the agreements are in the first place economic, and overlapping; one country is mostly part of many different agreements having the same goal. Lagos (n.d.) even admits that Latin America is currently rather fragmenting than integrating. According to him, they are clearly not integrating any further, but contrary to that he sees future possibilities if Latin America adheres to certain principles.

Much research has been done on the MERCOSUR, a free trade zone in the South of Latin America. Schneider (2001) lays out reasons for the formation of MERCOSUR, which was mainly created for an economic purpose, and also evaluates its efficiency. Apart from analyzing the basis of the MERCOSUR, Milanese (2004) researched the possibility of Supranationalism in the MERCOSUR. Certain steps towards Supranationalism were only taken for reasons of safety. Argentina and Brazil both had a rather suspicious stance on each other's nuclear activities, therefore they agreed on a free trade zone to ensure their peace (Milanese, 2004). Malamud and Schmitter (2007) were the first ones comparing European and Latin American integration in their work. The authors compared the less advanced situation in Latin America to Europe at that time and predicted several scenarios in which Latin America would be in a similar situation like the European Union and gave advice on how to avoid certain situations in which the European Union struggled. Serbin (2009) already

considers the UNASUR as a valid and useful alternative for Latin American integration. He perceives it as the leadership of Brazil in Latin America, compared to that of Venezuela (Serbin, 2009).

However, the topic of UNASUR compared to the European Union has been widely untouched, also because of UNASUR's youth. For further information, the UNASUR website (n.d.) and the Constitutive Treaty (2008) have been used. The Treaty counts as primary legislation and is, therefore, a reliable source to consider for information on processes and structures. Additionally, Hummer (2009) explains the Treaty in further detail.

Within the models, Supranationalism seems to have the most impact on states as such, because most states are reluctant to the idea of transferring parts of their national sovereignty to supranational organizations. Most institutions seem to have an intergovernmental character, therefore, it would be interesting to see where the UNASUR could be going if it would become more supranational.

Theoretical Framework

The theoretical knowledge presented in this chapter is required to understand the comparison between European and Latin American integration that is the core of this work.

First, the structure of both the EU and the UNASUR is explained. Understanding their structure, specifically similarities and differences, is crucial to applying the three models of integration to the organizations' actual integration process. The European Union was chosen for comparison because it is the most advanced example of regional integration and might serve as a role model.

Then, the three models of integration are described: Supranationalism, Intergovernmentalism and Economic Integration Theory. The chosen models provide a valid tool for an analytical comparison between UNASUR and the European Union because they are generic models that can be applied to any regional integration process, even if they were conceived to describe the integration of EU countries. The models cover important aspects of integration and are therefore well suited to compare the characteristics of EU and Latin American integration. The description of the models mainly draws from Buonanno and Nugent (2013) as mentioned in the literature review.

Based upon this theoretical framework of the structure of two organizations and three models of integration, the analysis will identify the model that best suits the past Latin American integration. An outlook on the UNASURs future will be given, and chances for further integration under each of the models will be discussed. While most of the UNASUR bodies seem to be intergovernmental,

other approaches might bring new opportunities. A notable example is the Andean Community, in which the supranational component existed, but decreased within the years to rather just the impression of Supranationalism (M. T. Infante, Personal interview, December 5, 2016).

[The European Union – a short overview](#)

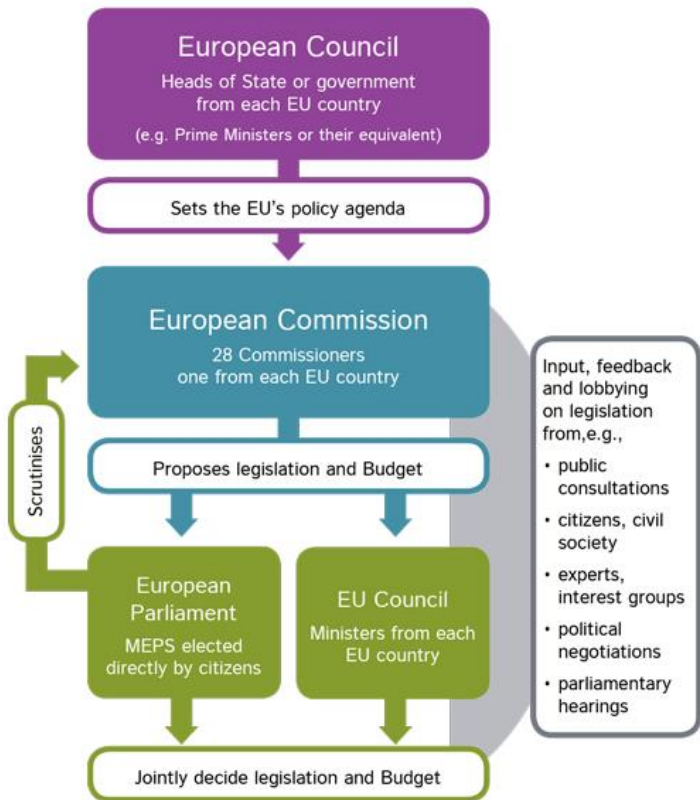
The European Union was founded in 1958 first and foremost to foster peace and stability within Europe through economic cooperation (The European Union, n.d.). One of the founding fathers of the European Union, Robert Schuman, had a purely supranational organization in mind (Krijtenburg, 2012). Beginning solely economic, with the common internal market at its core, the European Union soon developed into a political union, covering a great variety of policy areas. Its most important principles are reconciliation, solidarity and subsidiarity (Krijtenburg, 2016). Milestones in the development of the European Union was the Schengen agreement in 1995 and the introduction of the common currency, the Euro, in 1999 (The European Union, n.d.). The European Union upholds human rights, freedom, democracy, equality, rule of law and transparency (The European Union, n.d.).

According to Krijtenburg (2016), the Member States of the European Union share a common heritage, based on the Roman and Greek history, as well as Jewish/Christian values.

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The main institutions of the European Union are the European Parliament, the Council of the European Union, the European Council and the European Commission.

How EU bodies work together



Think tank for Action on Social Change (n.d.)

The European Parliament has - along with the European Council - legislative functions, and depending on the legislative procedure, supervisory functions, and is part of the decision-making process for the budget. The parliament is the voice of the citizens, which vote for the Members of Parliament on a national level to represent them in the European Union (The European Union, n.d.).

The Council of the European Union consists of the ministers of each EU-country according to their policy field. The Council of the European Union is responsible for the coordination of political measures of EU-countries, the voting and adoption of EU-law together with the European Parliament based on the initiative of the European Commission. The Council decides upon agreements regarding international matters and agreements with third parties. Additionally, they approve the annual budget, in cooperation with the European Parliament (The European Union, n.d.)

The European Council is made of the Heads of State and Government of the Member States. This Council decides the overall direction the European Union shall take, additional to its priorities. The European Council shall have the power to decide in matters that deal with high politics. It states the common foreign and security policy (The European Union, n.d.).

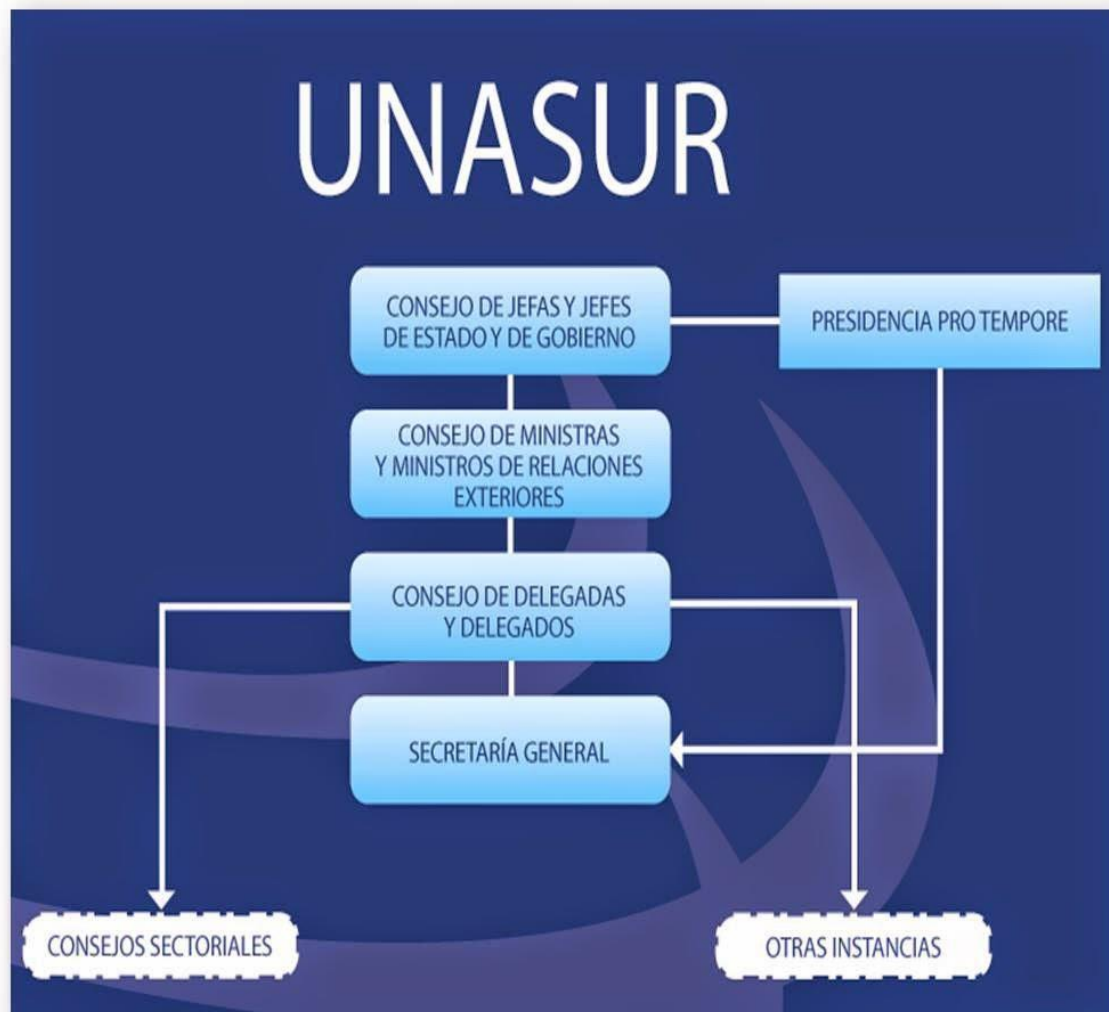
The European Commission is the organ responsible for the representation the Union's interests. It has the right of initiative and takes the position of the executive within the European Union. The Commission represents the Union in international organizations and may negotiate treaties or agreements (The European Union, n.d.).

The UNASUR and its structure

The UNASUR (Union of South American Nations) is a political and economic organization consisting of twelve South American states, which are Argentina, Bolivia, Brazil, Chile, Colombia, Ecuador, Guyana, Paraguay, Peru, Suriname, Uruguay and Venezuela (UNASUR, 2016). The establishing Treaty was signed in 2008 (Hummer, 2009). It developed out of the Community of South American Nations (Comunidad Sudamericana de Naciones, CSN) to create integration on the political, social, economic, ecological and infrastructural level (Hummer, 2009). The UNASUR has taken over the goals of the CSN. Additionally, the UNASUR supports the principles of non-intervention to foster the sovereignty of its states and the abjuration from the United States. A Council of Regional Security is planned (Hummer, 2009). According to its Constitutive Treaty (2008), the UNASUR's concern lies with political dialogue, poverty and inequality, education, infrastructure, financial integration, social security and health, exchange of information regarding defense, human rights and sustainable development. Experiences of the MERCOSUR and CAN (Comunidad Andina de Naciones; Andean Community) progress will be taken into account for innovation (UNASUR Constitutive Treaty, 2008). The Union of South American Nations is a juridical body (UNASUR Constitutive Treaty, 2008).

The UNASUR is composed of five different bodies (UNASUR Constitutive Treaty, 2008):

1. Council of Heads of State and Government
2. Council of Foreign Ministers
3. Council of Delegates
4. General Secretariat
5. South American Parliament (not in place yet)



Gestiona Mundo (2014)

The Council of Heads of State and Government is the highest body of the UNASUR dictating its direction and priorities (UNASUR Constitutive Treaty, 2008). It can create Ministerial Councils responsible for different areas, appoints the General Secretariat (UNASUR Constitutive Treaty, 2008) and can decide over proposals made by the Council of Foreign Ministers and determines foreign policy insofar that it can set up guidelines for relations with third parties.

The Council of Foreign Ministers can make Resolutions and proposals for the Council of Heads of State and Government. Furthermore, it processes the meetings of the Council of Heads of State and Government and guides integration and regional or national interests. The Council of Foreign Ministers also approves the budget and program of the year (Hummer, 2009).

The Council of Delegates overviews and implements Decisions and Proposals, but also prepares the draft Decisions and Resolutions (UNASUR Constitutive Treaty, 2008) as well as the meetings of/ for the Council of Foreign Ministers and suggests recommendations (Hummer, 2009). The Council of Delegates has Working Groups for different topics and also reviews and initiates political dialogue within the Union and with third-parties (UNASUR Constitutive Treaty, 2008). It is responsible for proposing the draft annual budget (UNASUR Constitutive Treaty, 2008).

The General Secretariat has a supportive administrative and counseling function. It attends the meetings of all bodies and proposes and oversees the implementation of directives. Its leader is the General Secretary, who needs to be independent from the Member States (UNASUR Constitutive Treaty). The General Secretary additionally is the legal representative of the General Secretariat. The UNASUR Constitutive Treaty (2008) lists as another task that the General Secretariat has certain Public Relations jobs to do, and drafts the annual budget. It executes legal acts if necessary to ensure legislation is upheld (UNASUR Constitutive Treaty, 2008).

According to its Constitutive Treaty (2008), the UNASUR has a Pro-Tempore Presidency, which is also changed yearly in an alphabetical order. The president has a representing and mediating function both to the international world as well as within the UNASUR, between the Councils.

In his work, Hummer (2009) mentions that the South American Parliament has not been established yet, but has been agreed on in a transitory article in the inaugurating treaty of the UNASUR.

The Constitutive Treaty (2008) mentions several principles/ goals on which the UNASUR is based/ what the UNASUR aims for, such as:

1	• Unlimited respect for sovereignty, territorial integrity and inviolability of states
2	• Self-determination of the people
3	• Solidarity
4	• Cooperation
5	• Peace
6	• Democracy
7	• Citizen participation and pluralism
8	• Universal, interdependent and inalienable human rights
9	• Reduction of asymmetries and harmony with nature for sustainable development

Primary legislation is – similar to the European Union – to be found in the Treaty. Secondary law is made up of agreements between the Member States, Decisions of the Council of Heads of State and Government, Resolutions of the Council of Foreign Ministers and Provisions of the Council of Delegates (Hummer, 2009). Every legislation can only be approved by consensus (UNASUR Constitutive Treaty, 2008).

The legislation is binding as soon as it is implemented into the national law of each Member State. However, any Member State can decide to (partially) not implement approved legislation for a limited or unlimited time. Anyhow, they are still allowed to later join again after refraining from implementation (UNASUR Constitutive Treaty, 2008)

Every Member State can submit proposals to the Council of Delegates, who needs to approve it by consensus, before it is forwarded to the Council of Ministers, who needs to do the same, before it is submitted to the Council of Heads of State and Government to be officially approved (UNASUR Constitutive Treaty, 2008). Proposals put forward by civil society will be considered (UNASUR Constitutive Treaty, 2008).

Disputes between Member States regarding the interpretation and implementation of Provisions of the Treaty will be settled through direct negotiations. If direct negotiations do not have any effect on the dispute, the Council of Delegates will submit a recommendation. In case the Council of Delegates' recommendation will not lead to the solution, the Council of Ministers of Foreign Affairs will step in (UNASUR Constitutive Treaty, 2008).

The UNASUR is financed by contributions from the Member States. The amount differs for each Member State. The key factors for determining the contributions are (UNASUR Constitutive Treaty, 2008):

1. Economic capacity
2. Shared responsibility
3. Principle of equity

The treaty is valid until it is denounced, which has to be done by one of the Member States. New members can apply five years after the entry into force of the Treaty and if they upheld an associate position for at least four years. The Council of Heads of State and Government has to approve states to be associated (UNASUR Constitutive Treaty, 2008).

The three models of European integration

The three models of European integration are Supranationalism/Neofunctionalism, Intergovernmentalism and the Economic Integration Theory (Buonanno & Nugent, 2013). According to Buonanno and Nugent (2013), the first two models are the most commonly used and established, whereas the Economic Integration Theory is rather new. As to European integration, they point out that neither model can be used on its own because none is able to explain European integration on its own in a satisfactory manner.

Supranationalism/Neofunctionalism

According to Buonanno and Nugent (2013), and Rosamond (2000), Supranationalism, or also Neofunctionalism includes three key features:

1. The involvement of supranational organizations
2. The use of supranational rules
3. Involvement of a transnational society

The stronger these key features are, the more Supranationalism is used.

Supranationalism is based on the concept of spillover. Integration in one policy area will “spill over” into another, connected area, which means that one area is integrated and another will follow (Buonanno & Nugent, 2013; Rosamond, 2000). An example for this would be the European Coal and Steel Community. The integration of this energy sector called for the integration of further energy sectors to facilitate trade. Another example would be the Schengen Agreement and the free movement. The free movement of goods is facilitated by the free movement of persons. If persons move, it is logical that services are allowed to move freely as well, and that capital can move freely to pay for these services or goods. Buonanno and Nugent (2013) point out that there are two different kinds of spillover, functional and political. Functional spillover is based on economic integration, which comes first. Political spillover follows functional spillover and has several different stages. Firstly, the national elites shift their focus to a supranational level, where action, especially decision-making takes place. Secondly, they start to favor the integration because they find a shared interest in it. Overall, the supranational institutions and non-governmental actors start gaining influence, while governmental actors and the nation states lose influence. Integration grows more important, demanding regulation and accountability from above (Buonanno & Nugent, 2013). On the other hand, Schmitter (2002) grants Member States a crucial position in Supranationalism, arguing that “[t]hey set the terms of the initial agreement, but they do not exclusively determine the direction and extent of subsequent change” (Schmitter, 2002, p. 3). Therefore, Member States initiate integration, but do not decide its further development.

According to Rosamond (2000), transcendence, which means the spilling over into new policy areas, first happens in economic policy areas, and later becomes political.

The authors (Buonanno & Nugent, 2013) point out that the integration process was slowing down in the 1960s, which curbed its popularity. Integration was not developing as supranationalists predicted. However, when integration was stimulated again in the late 1980s, Supranationalism regained some of its recognition (Buonanno & Nugent, 2013).

In the European Union, the main supranational institutions are the European Commission and the Court of Justice of the European Union. If the European Union’s decision-making procedure uses the Community Method, the European Commission has the strongest position. Therefore the Community Method is used to support Supranationalism and to decide on supranational policy areas (Buonanno & Nugent, 2013). According to Schout and Wolff (2010), the Community method has four key features highlighting its supranational nature. These key features are the Commission’s right of initiative, qualified majority voting in the Council, the Parliament’s co-legislation, and lastly

the responsibility of the Court of Justice to interpret law uniformly (Schout & Wolff, 2010). The policy areas, which are the European Commission's responsibility, are the policy areas which are supranational. This includes at its core the internal market, but later it spilled over to several other policies, for example the environment, common fisheries policy and agriculture to facilitate economic cooperation.

Intergovernmentalism

In contrast to Supranationalism, Intergovernmentalism is a rather realist approach as Buonanno and Nugent (2013), as well as Leuffen, Rittberger and Schimmelfenning (2013), point out, situating the nation state in the center of the international action. Non-governmental or supranational actors influence decision-making to a certain extent; it is highlighted that the European Commission and the Court of Justice of the European Union have secondary power, but in the end, the nation state sets both pace and direction (Buonanno & Nugent, 2013).

According to scholars of the intergovernmental school, the European Commission is initiating policies because states demand these policies from the Commission, not because the Commission sees the need for them to exist. Therefore, it can be said that the Commission is rather a toy for the state to initiate policies (Buonanno & Nugent, 2013).

Intergovernmental scholars criticized Supranationalism during the Luxembourg crisis in 1965 in its way of underrating that politics vary in high (e.g. foreign and security policy) and low (e.g. fishery and agriculture), as Rosamond (2000) highlights in his work.

In the 1990s, Moravcsik gave a new impulse to Intergovernmentalism, called Liberal Intergovernmentalism. Liberal Intergovernmentalism follows three key assumptions (Leuffen et al., 2013; Buonanno & Nugent, 2013):

1. The assumption of rational state behavior: The state will choose the most appropriate way of achieving its goal.
2. National preference formation: Domestic politics shape the state's goal (its national preference), but in turn is modified by economic interdependence
3. Key role of governments determining interstate relations, outcomes of negotiations are determined by the governments' bargaining powers

As noted by Buonanno and Nugent (2013), and Leuffen et al. (2013), the policy making efficiency in the EU under Intergovernmentalism is dependent on the degree of convergence of national preferences. National preferences usually vary with the policy area. Education and Health tend to

have little convergence, whereas the internal market enjoys full convergence. Common Agriculture Policy tends to be in the middle, having convergence to a certain extent (Leuffen et al., 2013; Buonanno & Nugent, 2013).

Intergovernmentalism has been used inter alia for major decisions, for example, the creation of the internal market or the common currency. These decisions are made by the European Council, which consists of the Heads of State and Government of the European Union (Buonanno & Nugent, 2013). To clarify, the internal market is under the jurisdiction of the Commission. However, the decision to create the internal market was made within the Council, before the power was transferred to the European Commission.

The European Council and the Council of the European Union are the two bodies of intergovernmental nature in the European Union. Its policy areas usually concern “high politics”, such as the states national security (Buonanno & Nugent, 2013).

Economic Integration Theory

The Economic Integration Theory is based on six stages, in each stage developing further in economic matters. According to Buonanno and Nugent (2013), the stages are:

1. Free trade area: removing tariffs on goods between the Member States of this area.
2. Customs union: The free trade area is embraced by a common customs protection and common tariffs on goods.
3. Common market: The common market includes, additional to the free movement of goods, the free movement of capital, labor and services.
4. Economic union: Social and economic policies are harmonized.
5. Economic federalism: Member States share a common currency, and common monetary and fiscal policies.
6. Political Union: The area becomes a federal state, including an internal and external security apparatus.

The first three stages are producing so-called negative integration, meaning to remove barriers. In contrast to that, the last three stages call for positive integration. Policies need to be created and actively put in place to stimulate further integration. Each previous stage needs to be completed to move on to the next stage. According to the inventor of the theory, a point of “no-return” exists, where the economic integration cannot be stopped anymore (Buonanno & Nugent, 2013).

However, in the light of current events like the Brexit, there either seems to be the possibility to “return” or the European Union has not reached that point yet.

In general, similarities to Supranationalism and the spill-over effect can be drawn, especially in the first stages. However, supranationalists see supranational institutions as the driving factor for integration, setting up rules to facilitate further integration, while the Economic Integration Theory focuses on economic factors to cause integration (Buonanno & Nugent, 2013).

The Treaty of the Establishing of the European Economic Community, also known as the Treaty of Rome, established a free trade area and a customs union in the European Union. The treaties following the Treaty of Rome deal with the implementation of policies to reach the stages following a free trade area and a customs union (Buonanno & Nugent, 2013).

The European Union tried to harmonize its economy by the principles of mutual recognition and harmonization, but some Member States still struggle to agree. Tearing down barriers to integrate further is more likely to be done by the Member States, due to its ease. Setting up measures to promote integration is harder because it requires active participation (Buonanno & Nugent, 2013).

[Synopsis of the interview with Ms. M. T. Infante](#)

The interview with Ms. M.T. Infante was conducted on the fifth of December in 2016.

Ms. M. T. Infante (personal interview, December 5, 2016) states the UNASUR was created to be a counterweight to the United States, but does not have the capacity to actually do so.

As she points out (M. T. Infante, personal interview, December 5, 2016), the common heritage can be a beneficial incentive for integration. However, it is just an objective fact. It is not sufficient to encourage integration itself, only if it gives carries advantages for the countries with it. The Latin American continent does not speak with one single voice, and according to Ms. M. T. Infante (personal interview, December 5, 2016), that will not happen in the near future, neither through UNASUR nor with the help of any other institution.

Ms. M. T. Infante (personal interview, December 5, 2016) sees the similarities between UNASUR and the European Union to be of rather ideological nature. Both search for common values and political cooperation within their region. The differences between the European Union and the UNASUR are rather structural as she points out (M. T. Infante, personal interview, December 5, 2016). There are no institutions within the UNASUR that have state competences transferred to from the Member States. Unlike in the European Union, the Member States still possess all of their

sovereignty in all policy areas causing the UNASUR to be a rather loose agreement. Ms. M. T. Infante (personal interview, December 5, 2016) claims that there is no legislative nor judiciary within the UNASUR, both tasks that are given to institutions within the European Union, which are the Court of Justice of the European Union, and the European Council and Parliament sharing the legislative (as mentioned earlier).

The average citizen is generally not aware of living in the area of the UNASUR countries (M. T. Infante, personal interview, December 5, 2016). Citizens are engaged rather through policies than through active participation. There is no directly elected body. However, Ms. M. T. Infante (personal interview, December 5, 2016) does not think that the UNASUR, therefore, lacks legitimacy.

Ms. M. T. Infante (personal interview, December 5, 2016) points out that the UNASUR is active on infrastructure, although it is not an economic agreement itself, contrary to the MERCOSUR. The MERCOSUR is a free trade area, so it would be complementary to the UNASUR, but Ms. M. T. Infante (personal interview, December 5, 2016) does not see them merging, only cooperating in the future.

The UNASUR could have followed the advanced model of the European Union, but there is not enough common interest between the Member States (M. T. Infante, personal interview, December 5, 2016). Most Member States still hold on to protectionist policies, which additionally complicates integration. Ms. M. T. Infante (personal interview, December 5, 2016) does not see Supranationalism within the UNASUR in the near future because they fear interference with their domestic politics.

Ms. M. T. Infante names several aspects of great importance for this research. She generally points out that the UNASUR is a rather loose agreement that does not obtain the complexity of the European Union.

Similarities between UNASUR and the European Union

Both the UNASUR and the European Union are institutions aiming to unite states within one continent. Each of the two shares a common heritage within their boundaries. The European Union, as mentioned earlier, the Roman/Greek traditions and influences from the Jewish/Christian religion. The UNASUR has at its roots the heritage of the Inkas that lived in the Andes. Later, the colonialization brought a European influence, mainly the Latin languages and the Christian religion,

as written in an earlier chapter. Regarding their structure, they have certain bodies that fulfill similar functions.

A Council consisting of the Head of State and Government, responsible for deciding the overall path and its direction for the union is present in both the UNASUR, called Council of Heads of State and Government, and in the European Union, called the European Council (The European Union, n.d.; UNASUR Constitutive Treaty, 2008). Its members (other than heads of state and government) may vary (The European Union, n.d.), as well as some more detailed tasks, but the general function is similar.

The Council of Foreign Ministers of the UNASUR has certain similarities with the Council of the European Union. The Council of the European Union has a configuration responsible for “Foreign Affairs” (European Union, n.d.). Both take care of relations with third parties, setting up the guidelines and negotiating agreements (The European Union, n.d.; UNASUR Constitutive Treaty, 2008)

There are several institutions having similarities with the European Commission. The Secretary General is like the Commission who is - as mentioned before – the institution to represent union interest. Therefore the Commission is similar to the Secretary and supposed to be independent of the Member States. They both should not act in favor of one or more of the Member States (UNASUR Constitutive Treaty, 2008).

The Commission is also seen as the “motor of integration”, which is in the Union’s interest. There are two institutions in the UNASUR responsible for integration, the Council of Delegates and the Council of Ministers. The Council of Ministers has a rather evaluating position, it is supposed to oversee the integration process in its entirety (UNASUR Constitutive Treaty, 2008). The Council of Delegates is steering and organizing integration (UNASUR Constitutive Treaty). Therefore, both fulfill the integration-fostering function of the European Commission. However, they fulfill similar tasks but are still rather intergovernmental due to their composition.

Furthermore, both the Council of Delegates and the European Commission inspect the implementation of Decisions and Proposals (The European Union, n.d.; UNASUR Constitutive Treaty, n.d.). The Commission is made up of the Directorate Generals responsible for different topics, e.g. for competition (The European Union, n.d.). The Council of Delegates has, as mentioned already, different working groups discussing a variety of policy areas, like the Directorate Generals.

The Pro-Tempore Presidency, which was already described earlier, equals the High Representative of the Union for Foreign Affairs and Security Policy. Both are the representatives of their Union on an international stage and in contact with third parties (The European Union, n.d.).

In the European Union, the budget is decided upon by the Council of the European Union and the European Parliament, as mentioned above. Both need to approve the budget to reach its implementation. According to Article 314 in the Treaty on the Functioning of the European Union, the draft proposal is handed to the Council and the Parliament by the European Commission which obtains its information from each institution (van Ooik & Vandamme, 2013). The UNASUR has a similar procedure, where the General Secretariat prepares a draft proposal which is forwarded to the Council of Delegates, similar to the institutions that communicate with the European Commission. The Council of Delegates forwards its final proposal to the Council of Ministers, who is taking the role of both the Council and the European Parliament, and can decide whether the proposal for the annual budget will be approved or not (UNASUR Constitutive Treaty, 2008).

Both Unions use their Treaties as the source for primary legislation. The legislation decided upon by the different Councils constitute the secondary legislation (UNASUR Constitutive Treaty, 2008). The nature of each kind of secondary legislation seems to be different from the European Union, which will be explained in the next chapter.

As to Legislative, Executive and Judicative, the European Union has its tasks quite clearly separated. The Council of Europe and the European Parliament are the Legislative (as mentioned above), approving proposals and shaping laws and policies. The Executive can be found in the European Commission and the European Council, enforcing both primary and secondary legislation (The European Union, n.d.). The Court of Justice of the European Union is the judicial branch. It can take measures and dispense justice in situations regarding the European Union and its Member States, but does not have any national power (The European Union, n.d.).

The divisions of power are not that clear cut in the UNASUR. Regarding the Legislative, its tasks are shared by several organs. The Council of Foreign Ministers drafts Decisions and adopts Resolutions to implement the Decisions decided upon by the Council of Heads of State and Government. The Council of Delegates prepares draft Decisions, Regulations and Resolutions to propose them to the Council of Foreign Ministers. The General Secretariat only proposes initiatives for Directives of all organs and may draft Regulations for its own functioning to be submitted to the responsible organ to make a decision on it. The Council of Heads of States of Government takes the last step in the

decision-making procedure of the UNASUR, meaning approving the proposal as the last and highest instance before its implementation. These four organs, the Council of Heads of State and Government, the Council of Foreign Ministers, The Council of Delegates and the General Secretariat fulfill the legislative tasks according to the Constitutive Treaty of the UNASUR (2008).

The Executive branch is performed mostly by the General Secretariat. The General Secretariat has the power to oversee the implementation of legislation, as well as to “execute, according to the regulations, all the legal acts necessary for the proper administration and management of the General Secretariat” (UNASUR Constitutive Treaty, 2008, Article 10). The Council of Foreign Ministers is additionally in charge of overseeing and evaluating the implementation, and to implement guidelines regarding the relations with third parties (UNASUR Constitutive Treaty, 2008). All these tasks resemble the European Commission and its role, as well as in the decision-making process and as the “guardian of the Treaties” (The European Union, n.d.).

The two institutions show several similarities within their tasks, even though there are no institutions in the UNASUR that have an absolute equivalent to the European Union institutions.

Differences between UNASUR and the European Union

The two Unions might have several similar bodies, procedures and tasks. However, there is a variety of differences among them.

First of all, both share a common heritage with their Member States, as already mentioned. However, the European Union was created to guarantee stability and peace within the estranged region, because the countries are less likely to have non-peaceful disputes if they are connected economically and politically. The UNASUR, however, was established for different reasons. As Ms. M. T. Infante (personal interview, December 5, 2016) points out, the UNASUR has been planned to be a counterweight to the power of the United States in the North. Apart from this, its origins have not been studied much, possibly because of its youth. Concluded from the Constitutive Treaty (2008), it can be said that the Member States gathered for the pure purpose of benefits for themselves. The agreement is rather loose. Therefore, Member States can use the UNASUR if it pleases them and helps a cause, but if they do not benefit from an action of the UNASUR, they can withdraw from participating in that action, as already mentioned before.

The European Parliament and the Court of Justice of the European Union are two organs that do not have an equivalent in the UNASUR. The UNASUR does not have any organ that is responsible for representing the citizens' voice, nor one that is democratically elected into their offices

(UNASUR Constitutive Treaty, 2008). An institution without any elected officials certainly lacks direct legitimacy from the citizens. According to Wessles and Diedrichs (1997), the European Parliament fulfills three main functions, which are important to the legitimacy of the Union. These functions are the following:

1. Its policy-making function, mainly its role in the co-legislation procedure and its power to dismiss or approve the appointed Commissioners
2. Its system-developing function, meaning its role in deciding about allocation of power and the political direction of the Union
3. Its interaction function, building a bridge between the institutions of the Union and its citizens

These three functions clearly show the involvement of the citizens in the European Union and highlight the power that is given to the citizens. The UNASUR is lacking this organ. Citizens are not involved, unless they make a proposal to the Union, which is then decided upon to be taken into consideration (UNASUR Constitutive Treaty, 2008). Voting is essential for the functioning of a democratic union (Persson, Roland & Tabellini, 1997). Anyhow, they do not offer regular and coherent engagement for the population, which may lead to disinterest or even revolts against an institution deciding about formerly regional/national matters.

The missing Court of Justice or the judicial branch in the division of powers in the UNASUR can also bring along difficulties. According to their Constitutive Treaty (2008), there is no Court in the UNASUR, nor any organ that has the power to hold a member state or another organ accountable for their actions. The Court of Justice of the European has several important functions that are not in any way guaranteed within the UNASUR. According to Bache et al. (2015), the Court is responsible for acting in the following situations:

1. Failure to fulfill an obligation
2. Application for annulment
3. Failure to act
4. Actions to establish liability
5. Appeals
6. Reference for a preliminary ruling

The UNASUR does not have such mechanisms, therefore it will be hard to have coherent integration. The Union's Member States are free to decide whether they want to implement

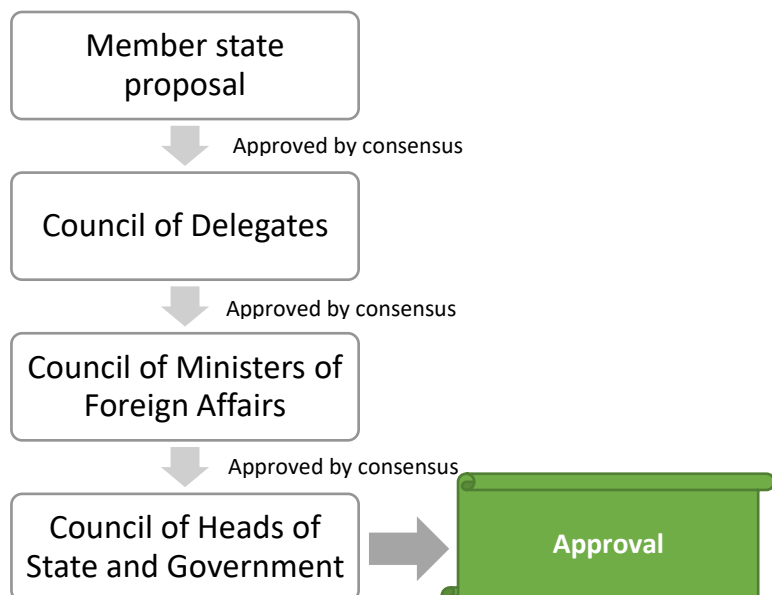
legislation from the UNASUR into their national law (UNASUR Constitutive Treaty, 2008), so it is very unlikely to coherently establish new policies, and more importantly, to collectively integrate on a supranational level. Member States do not have the need to integrate by following the policies because there is no penalty deriving from non-complying.

There is no organ such as the European Commission existing in the UNASUR, whose purpose is solely the representation of union interests. The General Secretariat mainly has an assisting function. There is no supranational institution involved having similar powers and tasks to what the Commission is responsible for (UNASUR Constitutive Treaty, 2008).

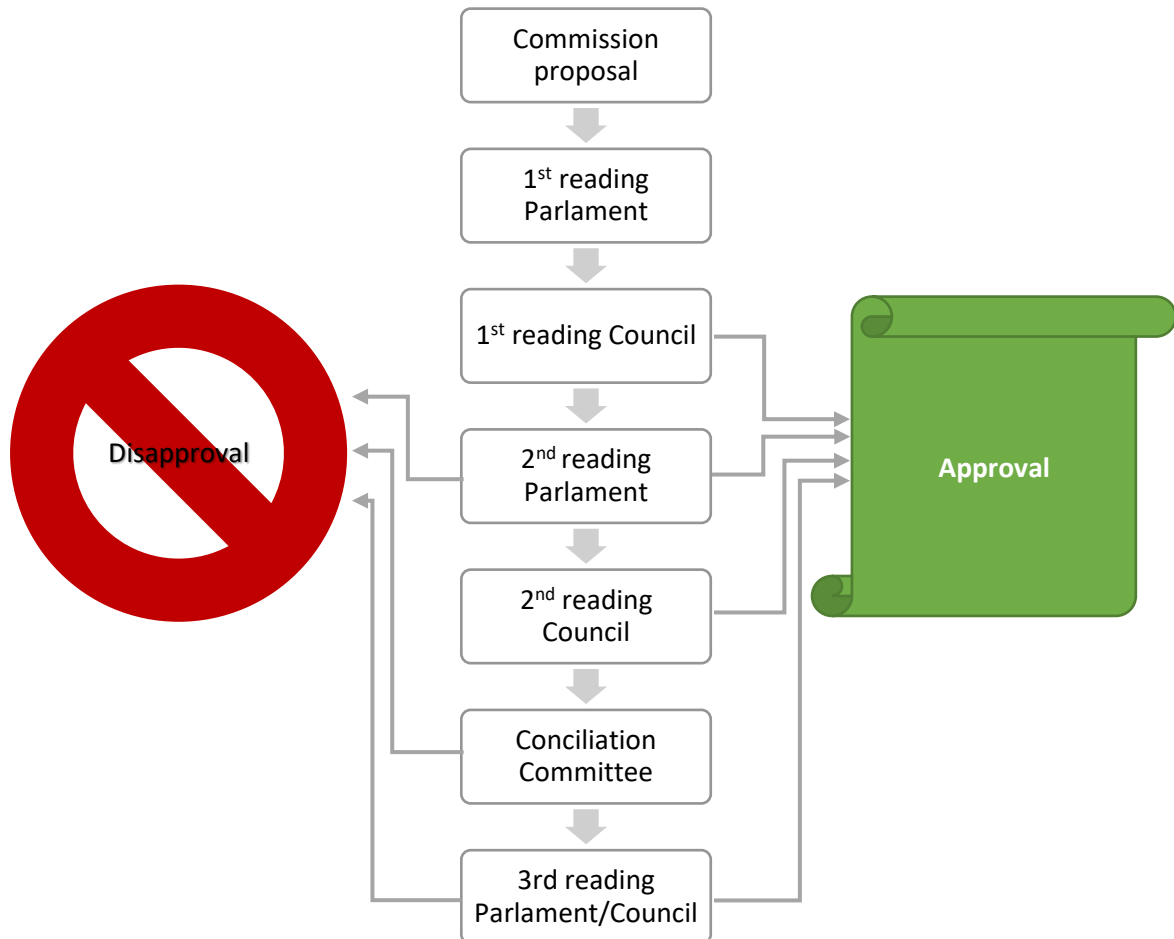
Regarding secondary legislation, the European Union has a different grading for each of the legislation. Decisions, Regulations and Directives are binding, whereas Recommendations and Opinions are non-binding to the Member States. The enforcement of the legislation is part of the European Commission's work (van Ooik & Vandamme, 2013, Article 288 & 291 TFEU). Secondary legislation in the UNASUR, however, is not binding until it is implemented into the Member States national law according to their individual procedure (UNASUR Constitutive Treaty, 2008). All legislation is not binding in the first place, which decreases its power, compared to European secondary legislation. Additionally, Member States can, as mentioned earlier, decide if and to what extent they join an agreement, diminishing the effectiveness of the legislation further.

The UNASUR also differs in terms of the legislative procedure. There is only one procedure to decide about proposals, which basically lets the proposal pass through all Councils until it is approved by the Council of Heads of State and Government (UNASUR Constitutive Treaty, 2008). In the

Legislative procedure of the UNASUR



European Union, it strongly depends on the topic of the proposal to decide which legislation procedure is used, which means which institutions are involved to what extent (van Ooik & Vandamme, 2013, Article 289, TFEU).



Ordinary legislative procedure European Union

The voting mechanism differs from the mechanisms used in the European Union. The only method used in the UNASUR is consensus (UNASUR Constitutive Treaty, 2008). All legislation or other measures and agreements are passed by consensus, which clearly highlights the intergovernmental nature of the UNASUR. Anyhow, decisions can be made with only 75 percent attendance. In this case, the nation(s) missing need(s) to hand in their vote/ opinion within 30 days (in the Council of Delegates the period is shortened to 15 days). The Treaty does not determine whether states can abstain from an election (UNASUR Constitutive Treaty, 2008). This is not possible in the European Union, as can be seen during the “Empty Chair Crisis” in the 1960s when France withdrew itself from the negotiations to impose their will on the accession of Great Britain to the European Union

in order to not endanger France's dominant position within the European Union (Bache, Bulmer, George & Parker, 2015).

Concluding, there are more differences than similarities between the two organizations. The European Union clearly has more supranational elements in its structure than the UNASUR, which is obviously more intergovernmental. This is already highlighted by the lack of the judicial branch in the division of powers and lacking Parliament, which could be interpreted as the missing connection to the bottom, the citizens of the Member States.

The UNASUR's current state of integration

In the following section, the current state of integration of the UNASUR will be analyzed for each model explained previously. Through this analysis, it can be discovered which models have been used so far, and which one is predominant. It will refer to points already mentioned earlier within this thesis.

Supranationalism in the UNASUR

Within the UNASUR, there is no directly supranational organization or anything that would clearly qualify as a supranational trait.

The General Secretariat is the only institution that is showing some similarities to a supranational institution, but all these tasks and features are rather masking the Secretariat as supranational, as it does not have any real powers.

Firstly, General Secretariat is supposedly independent of the Member States, which a supranational institution should be as well. However, the members of the General Secretariat are also representatives of their Member States. They may not be as politically involved into the government itself as the members of the Council of Delegates, also because the Secretariat needs more staff than the Council, but the members of the Secretariat are still representing their own Member States.

Additionally, the Secretariat is representing, advising and counseling the Union and the Councils, but it does not have decision-making powers granted. It is allowed to propose initiatives for Directives, but they are still changeable. The Secretariat may also draft Regulations to change and improve its own functioning which seems to allow it to decide on its own faith to a certain extent. However, the draft Regulation needs to be approved by the responsible organ.

The Secretariat is allowed to draft the annual budget, but the draft is still handed in-to the Council of Ministers to be checked upon. It still might be changed, since the Secretariat has no actual voice in deciding on the budget. Therefore, Union interests and matters that need financial support, but do not benefit Member States in short-term, for example investing in the institutional structure of the UNASUR, might come shortly.

Anyhow, the Secretariat has some power given to it through the Treaty. The Constitutive Treaty (2008) grants the Secretariat the power to act legally if necessary to ensure legislation is upheld as long as it concerns the General Secretariat itself. This enables the Secretariat to actually take action, but there is no specification in the Treaty on how to act, to what extent and what possible consequences could be if legislation is not upheld. It is also questionable if the General Secretariat will take measures to punish itself, or if in practice it will just be directed against its employees/ individuals instead of the whole institution.

In the Treaty it is stated that primary and secondary legislation is binding for the Member States, which supports measures that foster Supranationalism within the Union. However, if a closer look is taken, the legislation is only binding as soon as it is implemented into national law. Before that, Member States are not obliged to follow this legislation and to implement it into their domestic law.

Furthermore, the General Secretariat is allowed to oversee the implementation of legislation, which seems to be authorizing some influence, but it is not mentioned that it is also allowed to take action, as long as it is not concerning its own institution.

Generally speaking, the General Secretariat seems to have some powers granted to it, but ultimately does not have actual power to interfere and impose a punishment for wrong-doing. The UNASUR, therefore, has no supranational elements, although it creates the impression to be a supranational agreement. It masks tasks aspects as supranational, but after further inspection they are not.

[Intergovernmentalism in the UNASUR](#)

The UNASUR has more intergovernmental characteristics than supranational ones. The three Councils are all made of members of the Member States' governments, meaning the heads of state and government, the foreign ministers and specifically chosen representatives of each member state. The Council of Heads of State and Government is explicitly pointed out to be the highest body of the UNASUR (UNASUR Constitutive Treaty, 2008), which underlines the generally rather

intergovernmental notion in its description. This Council does not only determine guidelines with third-party relations, which are of high importance for the UNASUR foreign relations but also is having the final decision-making power for anything within the Union. There is no policy area under the rule of UNASUR, where the Council of Heads of State and Government has no decision-making power, therefore it is clearly an intergovernmental institution.

The Council of Foreign Ministers, which is of intergovernmental composition as well, is responsible for guidance on integration and regional as well as national interests, as already mentioned above. Therefore, it is clear that this council is able to steer integration in a direction that pleases the Member States, not necessarily taking a road that would benefit the Union and its integration. Additionally, the Council of Foreign Ministers is the final instance to approve the budget and how it is used. The determination of the budget being in the power of the Member States as well shows, that there will not be any use of money that is solely beneficial for the Union interests, rather spending it on areas that are of great interest for the Member States.

The Council of Delegates has a weaker position than the two Councils already mentioned in this section but is nonetheless of intergovernmental nature. It is partly responsible for the budget through proposing it and has a controlling function in relations within the UNASUR and with outsiders.

The General Secretariat is the only institution within UNASUR that does not consist of members of the Member States' governments, therefore it could be considered as somehow supranational. Anyhow, the General secretariat is only supportive and counseling. Therefore, the Secretariat is rather powerless. Through the ability to make proposals for the implementation of Directives, the Constitutive Treaty (2008) appears to grant a certain power to the Secretariat, although it does not have any actual power.

Other hints for intergovernmental character traits of the UNASUR can be found in its principles and goals. The very first goal mentioned is the "unlimited respect for sovereignty, territorial integrity and inviolability of states". These goals are clearly intergovernmental. Without the states' approval or consent, the UNASUR is incapable of acting. These principles are mentioned at the very beginning of the UNASUR Constitutive Treaty (2008), which underline its importance to the UNASUR.

The way secondary legislation is made also testifies of the intergovernmental nature of the UNASUR. This legislation is always decided upon by each one of the Councils, keeping decision-

making power within the intergovernmental organs of the UNASUR. Legislation can only be approved by consensus, which means that no state can be outvoted for the “greater good” of integration. Each member state has a veto power, which complicates and slows down any decision-making process, especially on integration.

Decisions, Resolutions and Provisions are not binding for Member States per se, only as soon as it is implemented into national law, which means approved by all Member States. The legislative power of the UNASUR is weakened, since Member States can decide to partially implement approved legislation, or not implement it at all, and then still join later. It is not stated within the Constitutive Treaty of the UNASUR (2008) if Member States can dismiss implemented, approved legislation, even if it is binding after running through all these steps, but highly likely that they have the choice to withdraw from it. Concluding, it is more than questionable if legislation can even be determined as binding, because Member States seem to be able to decide if they want to join in on the legislation, even it is approved by all Member States by consensus, and what parts of the legislation they would like to implement into their national law to transfer it into “binding” law.

Disputes will always be settled between Member States or with the help of an intergovernmental institution. There is no judging and/or guiding by an independent organ, therefore the procedure is rather intergovernmental.

Following up the two paragraphs above, the lack of having a court is also an indicator for an intergovernmental organization. There is no organ able to dispense justice or to judge over countries that are not complying with the rules. Therefore, the measures and legislation of the Council do not need to be acted out if the Member State does not agree with it, clearly implying the intergovernmental structure of the UNASUR.

Proposals can be made by any Member State and have to pass through each Council to be approved by consensus, clearly showing the intergovernmental nature, because there is no supranational or at least independent actor involved in any of the steps, neither proposing nor deciding. The Treaty does not state if Member States can abstain to an election, but concluding from the rest of the decision-making procedure, abstaining could be seen as equal to a veto, counting as a negative vote. As a result, this is adding up to the rather intergovernmental notion.

The Council of Heads of State and Government is, as already mentioned in this section, the highest organ of the UNASUR. It is allowed to decide upon other states to be associate states to the

UNASUR. This power enables the Council to determine the partners that would benefit the Member States' relations and ideals, not necessarily pursuing the interest of the Union as a whole.

The Councils possess all of the decision-making power, supporting the generally intergovernmental nature of the UNASUR. They are fulfilling all legislative tasks together, depending on which kind of legislation is put forward. There is only this one legislative procedure, in which the proposal passes through all Councils, as mentioned earlier.

Concluding from all the points taken into account within this sub-chapter, the UNASUR mainly displays Intergovernmentalism in its division of tasks and descriptions of institutions. A majority of these are clear indications of Intergovernmentalism, such as the Council of Heads of State and Government as the highest organ of the UNASUR, and pooling the whole decision-making power within the intergovernmental bodies, i.e. the Councils.

[The Economic Integration Theory in the UNASUR](#)

The Economic Integration Theory is rather complex to analyze within the UNASUR. The basic stone, the very first step of this integration model is missing. The UNASUR is not a free trade area.

According to the Ambassador of Chile, Ms. M. T. Infante (personal interview, December 5, 2016), the UNASUR is rather weak on economic integration. She states that there has been integration on infrastructure, but the general economic component is missing. This causes the most important factor for the Economic Integration Theory to be absent. In Article 2 of its Constitutive Treaty (2008), the UNASUR states that it wishes to have economic integration along with social and cultural integration, however there is no direct hint in its structure or tasks that could lead to the assumption that anything would be related to economic integration.

Therefore, it can be said that the first three steps, which are a free trade area, a customs union and a common market, are skipped within the UNASUR. They neither have removed tariffs between their Member States, nor is their free trade area surrounded by a common customs protection or common tariffs on goods, nor do they share a common market or have free movement of any of the four freedoms of movement existing in the European Union, such as goods, capital, and labor/services.

However, in the fourth stage of the model, it is mentioned that social and economic policies are harmonized. As already mentioned, the economic policies are not directly mentioned, but it is coherently highlighted within the Constitutive Treaty of the UNASUR (2008) that they would like to integrate with each other on social policies, reaching "social prosperity" (UNASUR Constitutive

Treaty, 2008, Preamble) and “social inclusion” (UNASUR Constitutive Treaty, 2008, Article 2) in order to combat poverty and inequality (UNASUR Constitutive Treaty, 2008). For that reason, it could be said the fourth stage is partly met.

The UNASUR does not share a common currency or common monetary and fiscal policies. Hence, the fifth stage is non-existent within the UNASUR as well. Additionally, the UNASUR is far from being a federal state, nor does it have an internal and/or external security apparatus, which eliminates the sixth stage from prevailing within the UNASUR.

The Economic Integration Theory does not seem to be fitting for the UNASUR. Except for one detail, which are social policies, there is no hint from the side of the UNASUR to be actively economically integrating. The basic component, a free trade area, is not fulfilled. Since each stage builds up upon the previous stage, this model can neither work in theory nor practice for the UNASUR.

However, there is an agreement between South American states solely build on a free trade area. The MERCOSUR is a free trade area including most countries that are part of the UNASUR. The UNASUR and the MERCOSUR could complement one another, which would cause them to be closer to the European Union. Anyhow, Ms. M. T. Infante (personal interview, December 5, 2016) states that it is rather unlikely that the two agreements will merge into each other in the near future, though she says that cooperation among them is absolutely possible.

In conclusion, the Economic Integration Theory cannot be applied to the UNASUR, because it has almost no economic side to its agreement. It could work, if the UNASUR and the MERCOSUR would unify, because they could complement each other. The UNASUR has the political points that the MERCOSUR is missing, and likewise does the MERCOSUR have the economic structures that the UNASUR does not have.

Conclusion

This paper has discussed the Union of South American Nations in comparison with the European Union and has applied the three models of European integration to the UNASUR. Regarding their structure, the UNASUR showed significant differences compared to the European Union. Two institutions with a highly important position are present in the European Union, but not in the UNASUR. The Court of Justice of the European Union and the European Parliament do not have any equivalent. The study has identified the similarities between the two Unions. However, the similarities are rather of ideological nature than structural or institutional.

The lack of a parliament in the UNASUR could cause a loss of touch with the base, the citizens of the UNASUR Member States. The members of all institutions are only indirectly elected; therefore, there is no direct legitimacy granted to the UNASUR. Hence, the population might revolt against policies implemented by the UNASUR. Besides that, there is no direct or active engagement of citizens in the UNASUR, which places it out of reach for the citizens.

The UNASUR is mainly intergovernmental and has almost no supranational character traits. The General Secretariat allegedly possesses supranational powers, however, they are only disguised as supranational. On the surface, the General Secretariat might obtain certain powers, but in the end they are always limited to monitoring and controlling. Apart from this, all bodies, structures and procedures carry intergovernmental attributes. Due to its intergovernmental nature, the UNASUR is a rather loose agreement, although it portrays itself as similar to the European Union. The rather detached agreement seems almost “a la carte”, especially considering the effectively non-binding nature of its legislation. As a result, the UNASUR does not seem to have any tangible powers.

From the point of view of the European Union, the UNASUR is lacking one core element in its agreement, which eliminates the Economic Integration Theory from being applied to the UNASUR. The UNASUR is not based on economic cooperation, therefore this model cannot be applied. However, in the European Union, economics often guide politics, which could lead to exploitation of the human workforce, causing dissatisfaction among the citizens. In the UNASUR, this is not the case per se, because there is, as already mentioned, no economy at its core. Anyhow, through its intergovernmental character, the politics of the UNASUR are shaped by national preferences, which are often based on economic interests that benefit the Member State. As a result, domestic economics guide politics of the UNASUR.

Schuman, one of the founding fathers of the European Union, already acknowledged the necessity of having a supranational organization to foster integration, next to respecting national preferences. Schuman once said:

“We are not, and we shall never be, given to deny our mother country; we shall never forget our duties towards it. But beyond each country, we increasingly and clearly acknowledge the existence of a common good, superior to national interests. A common good into which our countries’ individual interests are merged.” (Krijtenburg, 2012, p. 163).

With this statement, Schuman clearly states that Supranationalism, and a “common good, superior to national interests” (Krijtenburg, 2012, p. 163) is essential to integrate further, irrelevant which

organization is targeted. Additionally, in an earlier chapter it was mentioned that the UNASUR does not have a body which purely represents the interest of the UNASUR.

Neither Union should be based on economic or political cooperation solely. Humanitarian and spiritual aspects need to be taken into account to guarantee a long-term, fully functioning union. Again, Schuman fittingly said:

“This whole cannot and must not remain an economic and technical enterprise: it needs a soul, the conscience of its historical affinities and of its responsibilities, in the present and in the future, and a political will at the service of the same human ideal.” (Krijtenburg, 2016, p. 18)

Once more, Schuman gives an important recommendation for other unions. What he found important might be hard to fulfill, as can be seen in the European Union, which is struggling with the relationship between the economic side of the agreement and the political side. However, that does not mean other unions do not face similar problems and are not able to overcome those. The European Union served as a role model for regional integration for a long time, nonetheless other unions are not condemned to commit the same mistakes. They should aim to learn from the experience of the European Union to conduct a smoother integration process. Despite gaining knowledge from the experience of others, the UNASUR should not fear to head towards the same destination as the European Union, even though it might take another path.

Both Unions, the UNASUR as well as the European Union, should consider accepting/returning to embrace Schuman’s initial idea of a union, regardless of its location. Detached from its location and the individual situation of the European Member States, Schuman’s thoughts are applicable to all.

Concluding from the research done in this document and Schuman’s thoughts on the topic, further integration of the UNASUR is rather unlikely, if the Member States are not willing to transfer parts of their sovereignty to a supranational institutions. As already pointed out by Ms M. T. Infante (personal interview, December 5, 2016), Member States do not trust supranational organizations, therefore, it is doubtful that the UNASUR will become more supranational. As a result, integration will not increase with Intergovernmentalism as the predominant model of integration.

[Recommendation for further research](#)

Further research in this field of study is possible. During this work, the European Union was suggested to be a role model for regional integration, and if the UNASUR could serve as a pilot to discover if the European models function in the Latin American region. Therefore, it could usefully

be explored if the European models function well in other regions, applied to other organizations. (Southeast) Asia and the countries framing the Pacific Ocean already developed a multitude of agreements, which could serve as objects to be analyzed as well.

In the light of current events like Brexit and the refugee crisis, the European Union seems to be stagnating in its integration. Further research could examine if the European Union will slowly decrease all supranational elements in its structure, and if it will become more intergovernmental - similar to the UNASUR - or maybe even fragmentize and return to the nation-state as the highest instance. Additionally, the benefits and disadvantages of each future vision of the European Union could be laid out in another study.

The UNASUR is developing slightly different than the European Union. More research could determine if the UNASUR is following a completely new, custom made model of integration that fits the UNASUR perfectly. Due to the great variety of models for integration, the other models that were not dealt with in this research could be applied to the UNASUR, or any other regional integration project in any region of the world. However, the differences between the models only range in a very small frame. The principal and most contrary models still are Supranationalism and Intergovernmentalism.

For research that is more focused on historic events, it could be interesting to discover why many agreements failed within the Latin American region. As already mentioned, there have been several agreements on this continent. However, none ever reached the status of the European Union. The research could determine if (all of) the states simply do not desire to be part of a union of that kind, or if there were historic events undermining the functioning of a union.

A fruitful area for further work could be the question why the Member States of the UNASUR do rather trust each other than a supranational organization, as Ms. M. T. Infante (personal interview, December 5, 2016) points out.

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Appendices

Interview with Ms. María Teresa Infante, Ambassador of Chile

I: Tell me, what do you like to know?

C: I prepared a few questions, and my first one would be, that the Latin American Countries, especially the ones in the UNASUR, share a common heritage, first of the colonization, like the language and the religion, as well as the indigenous heritage of the Inkas living in the Andes...

I: Of course, yes, and then you have the Amazonian also.

C: Yes, and I wanted to ask: Do you think that this common heritage binds the countries together, or if it rather separates them?

I: I think the common heritage brings the countries together. It's a positive driving force, it is a positive backdrop. That is an objective fact, it doesn't mean that all the time, countries that have an independent life and their own policies, they interact in a way as to get benefits from that common heritage. So sometimes it is just something that exists, and that is there, it is given. And it doesn't mean it is an active or current factor for future activities or for development and so on. But there is a very very strong and permanent reaction among those states, including new states that do not, or were not independent, and that is Suriname and Guyana. And those are also part of the same arrangement, UNASUR, but they have boundaries with some traditional or older South American countries, like Brazil, and some others, Venezuela. So, they are interrelated now and it is acknowledged that they are also part of South America. But the common heritage is something that is alive, it is acknowledged, it is present, but it doesn't give enough boost to our relations. It is not all. It does not cover all of our relations.

C: So you don't think that the common heritage fosters integration?

I: It fosters, I think the common heritage fosters some integration. Well there is a legal community to some extent, not only because of participation in South America, because there have been the Hispanic-American or hemispheric initiatives. There have been several initiatives. So we participate in the same conferences, in same assemblies, we have been called for many years. So it is something which is very solid in some areas. But it doesn't mean that politically speaking we speak with a single voice. No, it is not also automatic, I mean the sense of belonging to a coalition of political positions. It is not automatic, not something that is just for granted.

C: Okay. The second question would be: Do you think there are any similarities and differences between the UNASUR and the European Union?

I: I think, yes, there are commons. There are some common elements, but maybe the search for some common values and the idea that we all together can foster processes of strengthening political values and political cooperation. That is important, it may be seen as alike. The idea to search for stronger political cooperation. Political in a sense that covers also institutions, human rights, some political goals. To speak with a single voice internationally sometimes it is also a common pattern, but I must say that UNASUR does not provide, does not serve as a single voice actor in the world. It may be, or it may be not. I think in UNASUR there is a tolerance a broader margin for pluralism. Because there are several, there are different, or there have been different approaches towards democracy in UNASUR. Not very apparent, but there have been some elements that have been made know by the other partners and to how to define democracy and some countries are closer or have taken an approach which is closer to social democracy, and some others stand with a closer to a more, how can I say, traditional or more liberal democracy definition. So it is freedom space, freedoms, independence of the political powers, independence of the judiciary, and rule of law seen from a different perspective. So that is something that is also underlying.

C: Do you also know any institutional differences, like structural? Because I for my part found out they don't have a court or any judicial instance.

I: For differences are very clear, we don't have institutions which you have, to which we have given competences, state competences, there is no legislative, or legislative competences on the side or on the part or given to some organs. Its decisions have to be made by consensus, that's a very important fact. And second, there is no legislative power or character to the institutions, there is no judiciary, and for the subjects, matters that are carried by the companies of UNASUR are limited to some areas. So any development has to take place on a consensual basis. Developments are mostly for coordination rather than for decision-making. Social development, which is very important, development and social components, second, it was the convergence of an economic process of integration, in which in my opinion much has not been done. And defense, on the side of defense, and confidence building measures, that progress a lot, that area has progressed a lot, and maybe has reached a ceiling.

C: Yes, defense is always a difficult topic.

I: And then the question, because that was to render the transparent expenses, defense expenses, expenditures for defenses. That was operative already between Chile and Argentina and it evolved in order to integrate more countries to integrate more countries, but it was difficult, because Chile and Argentina had already enforced a model that was very operative and known by everybody.

C: You said it is a rather loose agreement, because it is more because it is more based on cooperation.

I: Yes, it is based on political cooperation, it has tried to be efficient in some cases in which the South American countries voted to provide some support to governments in stress something to political turmoil or divisions, like in the case of Bolivia in the moment, and now with Venezuela. But the powers to be... you need a convergence of many political wills and the powers that are judicial granted or legally defined in the founding treaties of UNASUR you have to transmit or transpose that into action. And the ability to convince the partners, stakeholders to work together. In the case of Venezuela it has been working, functioning, but with some limited results.

C: So do you think it's problematic, could they integrate further without this judicial instance? Because, I mean, you also see in Europe that countries don't always have the same opinion on things. And if they don't agree by consensus they won't get any further. Do you see that problem, or not?

I: I see the problem maybe the same. But in Europe you have institutions which are very strong. They participate in different layers of the states interact. In the case of UNASUR you have an organ, a secretariat, it seems to be that would financial problems UNASUR. For financial, because some states are not provided the funds, that creates a prepacked control for movement, for organizing and so on, and at the same time the skills, the abilities you request from those who will be serving on behalf of UNASUR have to be represent a medium, an average. It doesn't mean that you have personalities able to move some things ahead. All the time. Sometimes you don't have the power to do that. So it has become, may, the dangerous becomes too symbolic, rather than active. The representation is a legitimate, not contested, it is supported by all of the government, they participate in the summits and so on, but in terms of moving an agenda ahead on time, and to – or in time – and to be able to be counterpart of processes which are exception of some government or in the world, that's the question.

C: Now that we are talking of legitimacy, the European Union has a parliament, which is elected by citizens, the UNASUR doesn't have such ...

I: No, we don't have one, but there has been the idea to have a parliament of UNASUR, which is a project which I think it was already negotiated or something like that, I don't know if it has, it has not started operating, and I don't see, unless there is a direct involvement of our parliaments or direct involvement of the electorate, if we will have any significance in terms of politics. Domestic politics. But there is no such question in South America about representativeness of the organization, or the relationship with the basis, with people of the nation. It is not a problem, it is post.

C: But do you think they lack legitimacy because of that or?

I: No, no. It is not... no. It is because of Europe you have tried to anticipate, to thrive many processes. Changes, policies, participation, and so on. So everything has been moved from Brussels and through Brussels in order to have a process of development, of integration. It has not happened in our countries.

C: But how do you think the UNASUR could engage citizens?

I: How to engage citizens? I think it is... to be engaged in a process like that, you may have education policies, economic policies, social policies by which you receive benefits from integration, which you will be able to develop and to force in different... implement in different countries. I think that is going on slowly, but there is no rejection, because of the lack of responses from the system. People in general are very actively involved in some important cultural integration in Latin America. In Latin America in general, not only in South America. Central America, you have the Caribbean States, Cuba, Dominican Republic and so on.

C: They all seem very engaged.

I: Yes. They have tried to do something about migration, which is active. There are already some agreements in place, very important ones. They were led by agreements within MERCOSUR, to which Chile is associated, political associated, so it is to apply common rules as to how to support some migratory movements between or among Member States, and those have been very modernized agreements. To modernize, we have been experienced in the consequences of the agreement. I must say that the process that has been going on, is going very fast, in terms of social integration, in terms of facilitating movement of people, settlement of people, residence and so on, is against the Pacific Alliance. That is important.

C: But do you think apart from that, people are actually conscience of living in the UNASUR?

I: No, no. They don't know. Probably some highly politicized parts of the society, probably some political engaged students, or political engaged parties, but you will not see people say "I belong to UNASUR". People believe "I belong to Latin America". To the Latin American continent. Because of the limits of the action of UNASUR, resources and so on. That was the political initial that was launched by Brazil. Brazil was, and then Venezuela stepped in. But the idea was to have something common in South America, to balance exco the power of North America. But at the same time it is very important for one side that is not important from the other side, because you cannot change the patterns of exchange an area in which UNASUR has stepped in and took advantage of something that was already in motion is in physical integration. It is very active, physical integration, infrastructure. Transport, it changes, border passes but that was those beyond UNASUR, because it is not UNASUR that is in charge of that, it was a network of institutions like International Bank of Development, the Andean Fund, which is an Andean bank, and also a fund that is integrated, or with which is the La Plata countries are associated with. And they were supporting process of physical integration which is very good, very important. With the methodology and so on. And so UNASUR took that as an asset.

C: But do you think they are actually strong enough to be a counterpart to the United States? Because there are so many different agreements.

I: No. It is not. Because you do not have an economic agreement of its own. It is not an economic agreement. It doesn't change the economic agreements that already have been negotiated or that continue being negotiated. For example, negotiations between Brazil and the US if there are, or with Brazil and the European Union will not be contacted by UNASUR. They will not be previously negotiated with the UNASUR. When we will negotiate with Mexico for example, it will not go through UNASUR.

C: Do you think the MERCOSUR, which is the free trade area, which has economic cooperation, do you think it will implement? Because all members of the UNASUR are also part of the MERCOSUR, also the associate states?

I: Yes. Well MERCOSUR has been negotiating with the European Union for example. I don't know if negotiations with the US or Canada have been successful as such, but with Europe, with difficulties and so on, but things have been making progress recently, and some, individually speaking, Uruguay has made progress with North America, but UNASUR has not been involved, they don't have the capabilities. So the Secretariat, or the Secretary officials, don't have the abilities to do

that, ideal to support the negotiations. There are so many institutions that can support you, it could be MERCOSUR or national institutions, we can have ACLAC, Coalition of Jamaica, provides a good support, and so on.

C: Do you think they'll connect at one point? UNASUR and MERCOSUR? They start working together?

I: MERCOSUR and UNASUR? I think so.

C: But they won't become one? Or do you think so?

I: Oh, no. Not for the time being. MERCOSUR encaptures other difficulties, in terms of making progress in terms of economic integration. MERCOSUR has been a driving force for social integration, legal integration, but economic integration is something which is, how can I say, it has been the core. A more substantive issue, because you have to accept common rules, they have accepted the common rules, but what are they going to liberalize? What are you going to do in that direction?

C: The European Union is so far one of the most advanced models of integration. Do you think that other regions, for example the UNASUR, should follow?

I: We could have followed that. But you need a common interest. And you need changes and a strong exchanges, because in Europe you have exchanges which consumers must be more than 60 percent of your exchanges, with Germany, the UK, in terms of services and goods. In South America this is not a reality, because our foreign trade is more active with sur-countries, with UNASUR countries, and that is reality, this is a fact. Second, economic policies should be more alike, common rules, common disciplines, or alike. And most of the time, some basic things which are alike but in certain areas, some countries have a protectionist policies, very highly protectionist policies, or indirectly protecting your country. So, the openness of economy is also important to have the same rate. Or to integrate goods, for example, to have a single origin. That is something that is going on within MERCOSUR and with Chile and within other countries, within the Pacific Alliance, have been working on that. So, to go beyond a bilateral agreement, to have a bilateral agreement like that, and to try to face certain markets together. But that is something that is not happening between Chile and Brazil for example. Or Peru and Brazil. Or Ecuador and Argentina. It is not on the agenda. At this stage.

C: So do you think a common interest will develop after time? Because the European Union is like sixty years old, and the UNASUR eight.

I: We have been developing common goals. I think in terms of social integration that is important, so common disciplines trying to focus on some common problems related to migration, related to education, social welfare for example, that is important, but that is not enough to have a common political body. I think infrastructure has been one of the most successful. Because then you go with your projects to integrate with other countries, so it goes through the same methodology. To present you projects, to receive comments, and then to try to implement the projects with assistance of the national banks, which are related to the integration process. So, looking at the values, what values you add, if you have an infrastructure project, with a neighboring country, for example. If you build a road, if you approve a road, or you have a railway project, that's also one.

C: So you say you need economic shared interest at the core to have integration as such?

I: Yes. That is important, what we call in our language physical integration. If you cannot travel from one city to the other, by road, or by river or to cross a lake and so on, which is in a national zone. That is venture.

C: Another question was what happens if countries do not comply, but since you say they have a loose agreement, where no Court is needed...

I: Non-compliance, yes, I don't see any case in which a non-compliance claim has been put before UNASUR. What I have seen is that there have been views changing and evolving towards democracy. And UNASUR is a company by the democratic protocol, the Protocol on Democracy. How states commit themselves to democratic values and institutions and a way to behave democratically. And there have been ideas as to activation of that protocol in certain cases, but then you have a very close limits of, or barriers, to activate that because you have to weigh which is more important, either to continue political cooperation or to render evident that a country is behaving improperly. So that would be a decision-process. And the decision-process will be treated by politics. Rather than by legal values. So it is a question. That is the only non-compliance area in which I have seen that there has been a flavor of a claim.

C: Do you think countries could be expelled?

I: You have to look at the protocol on Democracy. It's a question of suspension. But if you suspend a country from participating in an international regime, even if it is a very loose regime, the problem

is that you deprive that country of your own influence. You deprive yourself of your own influence. So, suspension, or suspension in different areas, voting power, participating in meetings, cooperation and so on, it is a way to limit your own possibilities. To cut your own tools. To cut your tools from reaching out.

C: Yes, so it will all fall back to you in the end. I think this is my last question so far: The UNASUR is rather intergovernmental, like having the states at the center, but do you think that they should have a supranational organization to pull them forward in integration? Is that necessary, or could they integrate intergovernmental?

I: I think at this stage, I don't see South America together, or will be approving such a model. That was a model that was tested in the Andean Community that was established in the late sixties, early seventies. It was composed of the Andean countries, so Chile withdrew, Venezuela withdrew, and so on. And what happened in practice was with the years, in a few years, this supranational component was weakened. So the supranational component became a bureaucratic component. Not the supranational category of organ. But this is the unique case of Supranationalism in our region. The Andean community. With the tribunal, with everything, a Commission and the Council. Based in Lima. The name of the Andean pact evolved to the Andean community, Comunidad Andina.

C: Why do you think the countries would not approve a supranational organization?

I: I don't see in the near future the question of the possibility that some countries grant powers, supranational powers to an international organ. Because they fear interferences with the domestic processes, political processes, and because they don't trust supranational institutions in that way than they trust a tribunal, a state-to-state tribunal. They may trust. But they don't trust a political body with supranational powers. The locator with the governments one to one.

C: So you think they trust the other states but not a supranational organization?

I: Yes. I don't see that. For example, they could seek for having dispute settlement procedures, arbitral procedures or judicial procedures, but I don't see a process in which you seek or you grant powers to an organ or a person. In the near future, you never know the future.

C: Maybe if they get common interest they will develop there.

I: Yes, probably. But it has been an attempt to create something that is more solid than the mere summit diplomacy, where you repeat summits, you meet every year with the parties and so on, so

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it is an attempt to institutionalize, to a common agenda and so on. And in some areas, it has worked very efficiently, and in some others it's still very slowly developing.

C: But you do not think integration as advanced as in the European Union could happen without Supranationalism.

I: I don't see that in the near future.