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ALBA AND UNASUR: BACK TO THE FUTURE?

By Rafael A. Porrata-Doria, Jr.*

Abstract

This essay discusses efforts at creating a unified Latin American region through the lens of different integration attempts. Part I briefly examines MERCOSUR and the Andean Group and how these two efforts failed to achieve promises made under the free trade model that grew under the Washington Consensus. Structural problems and changing political tides left these two groups unsuccessful, and ultimately the election of populist leftwing presidents in Argentina, Brazil, and Venezuela ushered in a new model of integration intended to increase the economic development of Latin America in an equitable fashion. Despite their different ideologies and missions, both Alianza Bolivariana de las Américas (“ALBA”) and Unión Suramericana de Naciones or Union of South American Nations (“UNASUR”) shared much with their predecessors. Part II describes the first of these new efforts, ALBA, tracing its history, development, organizational structure, institutions, grannational enterprises, and bank, creating a picture of ALBA’s failure over time. ALBA sought the transformation of Latin American societies, making them more just, participative, and united, through the enactment of various principles and a general framework. The essay also explains the ways ALBA leadership attempted to refine goals over time with little success. This section includes a discussion of PETROCARIBE, an agreement signed at a summit of Caribbean nations, and how this treaty diluted ALBA’s goals. Part III examines UNASUR tracing its origins, mission, organizational structure, institutions, and specialized councils. UNASUR was modeled after the European Union and sought to establish full economic, political, and monetary unity in South America. This section outlines several issues that prevented UNASUR from achieving its goals, such as differing political agendas amongst member states and major structural issues, to show how UNASUR, like ALBA, ultimately failed its mission. In particular, this section explicates the various councils enacted by UNASUR and reveals how their structure and lack of institutional framework made them ineffective. Part IV concludes that the failures of both ALBA and UNASUR to achieve their goals or even to survive underscores several important lessons for integration organizations.

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INTRODUCTION

There has been a desire to create a unified Latin America region since its countries achieved independence in the early 19th century.¹ Unfortunately, serious thought was not given to the accomplishment of this regionalism goal until the end of World War II.² Since then, various regional integration institutions have been created, all based on the concept that regional integration would bring forth economic development, progress, prosperity, and union. Their models have tended to be based on the current popular economic development ideologies and concepts in vogue at the time of their creation.³

The regional organizations that arose as a result of these efforts can be described and classified by their founding ideologies. The import substitution model of development, for example, postulated that economic development of Latin America's economies could only be achieved through a government-led process of internal industrialization and the development of regional markets.⁴ Until they were developed enough to compete in international markets, these infant industries would have to be protected from extra-regional competition through regulation, which essentially closed off foreign competition, limited the export of capital, and facilitated the acquisition of foreign technology.⁵ The agendas of Andean Community and the Latin American Free Trade Association clearly reflect this model.⁶

After the failure of the import substitution model to fulfill its economic policies, most Latin American countries abandoned it in the 1980s and replaced it with its complete opposite: the so-called Washington Consensus. Under the Washington Consensus, the state halted all attempts to serve as the principal engine of economic development and adopted a free trade model, where unregulated free trade, and not protectionist import and export regulations, were to be the engine of

¹ Letter from Simón Bolívar (Sept. 6, 1815), http://alianzabolivariana.org/ver_antecedente_alba.php?id=6; Joel D. Hirst, *A Guide to ALBA: What is the Bolivarian Alternative to the Americas and What Does it Do?*, AM. Q., <https://www.americasquarterly.org/hirst/article>.

² Nicola Bilotta, *The Legacy of Post-Neoliberal Integration in South America: The Cases of ALBA and UNASUR*, 18 ISTITUTO AFFARI INTERNAZIONALI 1, 4 (2018), <http://www.jstor.com/stable/resrep19681>; Ken Cole, *Progress Into the 21st Century: The Bolivarian Alliance for the Peoples of Our America*, 3 INT'L J. OF CUBAN STUD. 116, 3 (2011) [hereinafter Cole - *Progress*]; José Gerson Revanales Monsalve, *Estructura Morfológica del ALBA: Ni el ALBA ni el ALCA son Esquemas de Integración*, 23 ANUARIO DE DERECHO INTERNACIONAL 437, 438 (2007).

³ Rafael A. Porrata-Doria, *Economic Paradigms and Latin American Development Theory: The Search for Nirvana*, 17 BERKELEY LA RAZA L. J. 51 (2006).

⁴ United Nations Economic Commission for Latin America, *The Economic Development of Latin America and its Principal Problems* (New York, 1950) at 8 (hereinafter "ECLA Report") at 8-18, 37.

⁵ *Id.* at 6, 47, 54, 56-57.

⁶ Rafael Porrata-Doria, *MERCOSUR: THE COMMON MARKET OF THE SOUTHERN CONE* 7 (2005) [hereinafter *MERCOSUR*].

economic development.⁷ Accordingly, some existing regional integration organizations, like the Andean Group, completely changed their mission and methodology in order to implement this new model.⁸ Others, such as the Asociación Latinoamericana de Integración (ALADI), went out of existence and were replaced.⁹ This era also gave rise to a new regional integration association based on a free-market ideology: Mercado Común del Sur ("MERCOSUR").¹⁰

At first, the free trade model seemed to be highly successful, and both MERCOSUR and the re-formed Andean Community made progress. Unfortunately, however, this free trade model did not achieve its promises either. By the beginning of the current century, great discontent arose with the Washington Consensus model. After the effects of the worldwide economic crisis of 2008 were felt in Latin America, it was discredited and abandoned.¹¹ Unregulated free trade was no longer popular. Both MERCOSUR and the Andean Community found themselves in the doldrums, with their integration agendas and projects considerably slowed down or abandoned altogether.¹² As I have described elsewhere, both MERCOSUR and the Andean Community had structural problems which, regardless of which ideological agenda they followed, would prevent them from advancing their missions.¹³ The new populist left-wing presidents who were elected in Argentina,¹⁴ Brazil,¹⁵ and Venezuela¹⁶ advocated for a new model of integration which would increase the economic development of Latin America in an equitable fashion.

This advocacy resulted in the creation of two new regional integration organizations. As we shall see below, the first, the Alianza Bolivariana de las

⁷ JOHN WILLIAMSON, *What Washington Means by Policy Reform*, in LATIN AMERICAN ADJUSTMENT; HOW MUCH HAS HAPPENED? (Washington, DC 1990) at 7-15.

⁸ Karen J. Alter & Laurence R. Helfer, *TRANSPLANTING INTERNATIONAL COURTS: THE LAW AND POLITICS OF THE ANDEAN TRIBUNAL OF JUSTICE* (2017).

⁹ MERCOSUR, *supra* note 6, at 14.

¹⁰ MERCOSUR, *supra* note 6, at 23; Hirst, *supra* note 1.

¹¹ Helen Yaffe, *The Bolivarian Alliance for the Americas: An Alternative Development Strategy*, 3 INT'L J. OF CUBAN STUD. 128, 128 (2011); Hirst, *supra* note 1.

¹² Hirst, *supra* note 1.

¹³ See Rafael Porrata-Doria, *MERCOSUR at Twenty: From Adolescence to Adulthood?*, 27 TEMPLE INT'L & COMP. L. J. 1 (2013).

¹⁴ Néstor Kirchner was president of Argentina from May 25, 2003 – December 10, 2007. He was often labeled as a left-wing progressive, and considered himself a Peronist, after the Argentine political movement based on the legacy of Argentine ruler Juan Perón.

¹⁵ Luiz Inácio Lula da Silva was president of Brazil from January 1, 2003 – December 31, 2010. He introduced sweeping social programs aimed at elevating the station of Brazil's working class and quelling poverty.

¹⁶ Hugo Chávez was president of Venezuela from February 2, 1999, to his death on March 5, 2013 (except a brief period in 2002 due to a coup). His political ideology changed throughout his tenure; by the end of his presidency, he championed what he called "socialism for the 21st century." Chávez identified as Bolivarian, referring to the ideology of 19th-century South American independence leader Simón Bolívar.

Américas (“ALBA”) sought to return to a model of state-managed economic development, albeit with a socialist twist.¹⁷ The second organization, the Unión Suramericana de Naciones (“UNASUR”) was not primarily formed as a trade harmonization entity and did not appear to be aligned with any particular theory or model of economic development. Instead, it attempted to create a political, social, and economic union of all the nations of the South American continent.¹⁸ As we shall see, despite their different ideologies and missions, both ALBA and UNASUR shared much with their predecessors.

Both organizations failed to achieve their goals. ALBA remains in existence but is a shadow of its former self and inoperative.¹⁹ UNASUR has essentially been dissolved.²⁰ As we evaluate ALBA and UNASUR, we will see that the same structural defects that plagued MERCOSUR and the Andean Community contributed to their failure to achieve their goals and eventual demise.

In this work, I will examine and evaluate the rise and fall of both ALBA and UNASUR. In Part II, I will first consider ALBA’s history and development as well as its mission, organization, and institution. I will then consider its achievements, flaws, and ultimate failure. In Part III, I will similarly examine and evaluate UNASUR, starting with its origin, organization, structure, and institutions, and concluding with its achievements, challenges, and de facto dissolution. In Part IV, I will evaluate ALBA and UNASUR in the context of other Latin American trade integration organizations.

I. ALBA: POPULIST INTEGRATION?

A. ALBA’s History and Development

The ideological concept which became the basis for ALBA appears to have originated in a speech given by Cuban leader Fidel Castro in 1997. In that speech, he asserted that the current neoliberal model of economic development and infrastructure was merely a new confirmation of the profound economic exploitation and resulting inequalities within the lesser developed countries of Latin America.²¹ In order to quell this exploitation and inequality, the current neoliberal system had to be eliminated and replaced by a new order based on justice and

¹⁷ See *infra* notes 81-82 and accompanying text.

¹⁸ See *infra* notes 102-103 and accompanying text.

¹⁹ See *infra* note 95 and accompanying text.

²⁰ See discussion *infra* Section III.E.

²¹ Chief Fidel Castro Ruz, *Discurso Pronunciado Por El Comandante En Jefe Fidel Castro Ruz, Primer Secretario Del Comité Central Del Partido Comunista De Cuba, Presidente De Los Consejos De Estado Y De Ministros Y Presidente Del Movimiento De Países No Alineados, Ante El Xxxiv Período De Sesiones De La Asamblea General De Las Naciones Unidas, Efectuado En Nueva York, El 12 De Octubre De 1979, “Año 20 De La Victoria”* (Oct. 12, 1979) [hereinafter Castro speech].

peace.²² This required structural economic change from individual nations, which had to be based on mutual assistance and collaboration among the lesser developed countries through equitable economic relationships and mutual technical assistance.²³ This was the case because real economic development and progress, according to Castro, was based on the development of human beings rather than on trade or commerce.²⁴

The first step in the implementation of Castro's vision was an economic cooperation agreement entered into between Cuba and Venezuela in the year 2000.²⁵ In this document, the parties agreed to a program of economic interchange based on solidarity, as well as the most beneficial exchange of goods and services in a way that best suited their economic and social needs.²⁶ The agreement further provided that joint activities could take the form of mixed enterprises, cooperative production agreements, jointly administered projects, and other forms of association. Specifically, the agreement allowed for Venezuela to provide Cuba with crude oil at a reduced price and with technical assistance. In exchange, Cuba would provide Venezuela with medical personnel.²⁷

B. ALBA's Organization, Structure, and Institutions

Instead of one single constituent agreement, ALBA and its associated Peoples' Free Trade Agreement had a series of declarations, plans, and institutions which were created to serve as a general framework for its operations. Accordingly, in order to understand ALBA, one must look at its general organization and the various institutions created under its umbrella.

1. ALBA's Formation

The first formalization of ALBA as an organization took place in a joint declaration by Cuba and Venezuela at the end of a 2004 summit meeting between its leaders ("2004 Declaration"). This declaration established ALBA as an integration organization seeking the maximum solidarity of Latin American and Caribbean countries. ALBA was defined as an organization whose objective was neither mercantilist nor profit-driven. Rather, it sought the transformation of Latin American societies, making them more just, participative, and united. This objective would be achieved through an integration process meant to ensure the

²² *Id.*

²³ *Id.*

²⁴ *Id.*

²⁵ *Acuerdo entre el Presidente de la República Bolivariana de Venezuela y el Presidente del Consejo de Estado de Cuba, Para la Aplicación de la Alternativa Bolivariana de las Américas*, Cuba-Venez., Oct. 30, 2000 [hereinafter *Cooperation Agreement, Cuba-Venez.*].

²⁶ *Cooperation Agreement, Cuba-Venez.*, *supra* note 25, at art. 2; Larry Catá Backer & Augusto Molina, *Cuba and the Construction of Alternative Global Trade Systems: ALBA and Free Trade in the Americas*, 31 U. PA. J. OF INT'L L. 679, 698 (2010).

²⁷ *Cooperation Agreement, Cuba-Venez.*, *supra* note 25, at art. 12.

elimination of social inequalities and improve the quality of life and independence of its members. Program goals would be attained through the application of twelve specific cardinal principles.²⁸ The declaration also identified several educational projects that would be undertaken on behalf of ALBA by mixed transnational enterprises.²⁹

The 2004 Declaration presented many ambitious goals but did not specify how these goals were to be achieved, nor did it create an organizational structure that would be charged with implementing these goals.

A second declaration, which followed a 2006 summit (“2006 Declaration”), repeated the goals and principles of the 2004 Declaration and mentioned plans to provide a structure for ALBA and to create a “People’s Commerce Treaty” (“TCP”). Most of the document is dedicated to the delineation of specific covenants involving Bolivia, who had agreed to join ALBA at that summit.³⁰

After the 2006 Declaration, a number of other Latin American nations joined Cuba, Venezuela, and Bolivia as members of ALBA. Specifically, Nicaragua joined ALBA in 2007; Dominica joined in 2008; and Ecuador, Surinam, Grenada, Saint Vincent and the Grenadines, and Antigua joined in 2009.³¹

2. ALBA’s Structure

ALBA’s members entered into an agreement in 2009 to create a structure for the organization (“2009 Organization Agreement”).³² The 2009 Organization Agreement delineated a rather large and complex organizational structure. This

²⁸ *Declaración Conjunta Venezuela, Cuba-Venez.*, Dec. 14, 2004, <https://www.albatcp.org/acta/declaracion-conjunta-venezuela-cuba/> [hereinafter 2004 Declaration].

²⁹ 2004 Declaration, *supra* note 28.

³⁰ *Acuerdo para la Aplicación de la Alternativa Bolivariana para Lo Pueblos de Nuestra América y el Tratado de Comercio de los Pueblos*, Bol. – Cuba – Venez., Apr. 29, 2006 [hereinafter 2006 Declaration].

³¹ *Adhesión de Nicaragua al ALBA*, Bol.- Cuba- Nicar.- Venez., Jan. 11, 2007, <https://www.albatcp.org/acta/adhesion-de-nicaragua-al-alba/>; *Adhesión de Honduras al ALBA*, Bol.- Cuba- Dominica -Hond.- Nicar.- Venez., Aug. 25, 2008, <https://www.albatcp.org/acta/adhesion-de-la-republica-de-honduras-al-alba/>; *Adhesión del Gobierno de la Mancomunidad de Dominica a la Alternativa Bolivariana para los Pueblos de Nuestra América (ALBA)*, Bol. – Cuba – Dominica – Nicar.- Venez., Jan. 26, 2008, <https://www.albatcp.org/acta/adhesion-del-gobierno-de-la-mancomunidad-de-dominica-a-la-alternativa-bolivariana-para-los-pueblos-de-nuestra-america-alba/>; *Adhesión de Ecuador al ALBA*, Bol.- Cuba – Dominica – Ecuador - Hond.- St. Vincent.- Venez., June 24, 2009, <https://www.albatcp.org/acta/adhesion-de-ecuador-al-alba/>; *Adhesión de San Vicente y las Granadinas al ALBA*, Bol.- Cuba – Dominica – Ecuador - Hond.- St. Vincent.- Venez., June 24, 2009, <https://www.albatcp.org/acta/adhesion-de-san-vicente-y-las-granadinas-al-alba/>.

³² ALBA-TCP, *Estructura y Funcionamiento del ALBA-TCP*, <https://www.albatcp.org/acta/estructura-y-funcionamiento-alba> [hereinafter 2009 Organizational Agreement].

structure was headed by a Council of Presidents, composed of the heads of state of each of the member states, which had the absolute power to make all decisions on behalf of ALBA.³³ The Council of Presidents was to be supported by a number of Councils. Some were composed of specialized state officials, and their principal role seemed to involve the evaluation of data and the making of recommendations to the Council of Presidents on their areas of expertise.³⁴ Other Councils had broader membership. Of these, all but one seemed to have exclusively analytical roles.³⁵ The fifth, named the Council of Social Movements, was different. It was to be formed of representatives of the various social movements present in the member states. Unlike the other Councils, the Council of Social Movements had the right to create its own initiatives (rather than just recommending courses of action) to the Council of Presidents for action.³⁶ In addition to the Councils, four Committees were established to provide analysis and reports to the various Councils.³⁷

This structure was to be managed by a General Secretariat, headed by a General Secretary. This entity was to coordinate the work of all the other institutions and was to serve as ALBA's permanent administrative body.³⁸

Several conclusions can be drawn from ALBA's organizational structure. First, it was extremely large and complex, which would make its many institutions hard to organize, staff, and coordinate. All but one of these institutions were advisory only since all decision-making power was to be concentrated in the hands of the presidents of the member states and they were free to ignore any recommendations from its Councils. Moreover, ALBA's organizational structure seemed to structure ALBA's goals and operations under its centralized umbrella, despite the fact that the 2004 and 2006 Declarations appeared to be based on the primacy of the member states. Furthermore, the Social Movements Council (whose membership and selection process were not articulated) created an alternate source of power to that of the member states, since it had the power to create its own initiatives and transmit them to the Council of President. Lastly, ALBA had no dispute resolution mechanism to interpret whatever norms it created or to resolve disputes among its member states or its institutions.

³³ 2009 Organizational Agreement, *supra* note 32.

³⁴ 2009 Organizational Agreement, *supra* note 32. (these were the Political Council, the Social Council, and the Political Commission).

³⁵ 2009 Organizational Agreement, *supra* note 32. (these included the Economic Council and the Women's Council).

³⁶ 2009 Organizational Agreement, *supra* note 32.

³⁷ 2009 Organizational Agreement, *supra* note 32. (these committees included the Work Group on International Law, Self-Determination and Human Rights, the Defense of Nature Committee, and the Sovereignty Committee. The latter two were created, but their roles were not clearly defined).

³⁸ 2009 Organizational Agreement, *supra* note 32. (the General Secretariat was to be headquartered in Caracas, Venezuela).

3. The Peoples' Commerce Treaty ("TCP")

Although the 2006 Declaration identified the drafting of the TCP as a significant priority for ALBA, it is unclear what was intended to be created therein. Was the TCP meant to create a separate economic integration organization? Was it instead meant to be an initiative designed to fit into the ALBA organizational umbrella? What was its mission? How would it be accomplished? The 2006 Declaration said nothing about what the TCP would cover nor how its mission was to be accomplished.

In 2009, ALBA tried to answer some of these questions by issuing an additional document listing the fundamental principles that were to be included in the draft of the TCP treaty ("TCP Fundamental Principles").³⁹ The TCP Fundamental Principles document is simply a list of 23 separate principles that were supposed to be incorporated into the TCP treaty. These are all more detailed versions of ALBA's founding principles, as set forth in the 2004 Declaration.⁴⁰ No specific objective, mission, organization, or purpose for the TCP was articulated therein or in any other document.

Two of these principles are worth noting. First, the TCP was to recognize the state as the principal economic actor in all the member states.⁴¹ Second, the TCP was to recognize and make provisions for the furnishing of basic services to citizens as a fundamental human right.⁴² These two principles seem to indicate a preference for the reshaping of Latin America's economies into a state-led economic system concentrating on the provision of basic services rather than on trade. In other words, the economic development component of ALBA seemed to indicate a return to the state-led economic policies of the 1950s and 60s.

ALBA issued no further documents indicating what should be included within a future TCP treaty. Indeed, no draft of a TCP treaty appears to have ever been produced or agreed upon.

4. Grannational Enterprises

The 2006 Declaration and other documents referred to the term "Grannational Enterprises" ("GNE") but did not define it.⁴³ A 2008 document sought to define the concept and clarify how these entities were expected to

³⁹ Principios Fundamentales del Tratado de Comercio de los Pueblos, Oct. 17, 2009 [hereinafter TCP Fundamental Principles].

⁴⁰ TCP Fundamental Principles, *supra* note 39; Catá & Molina, *supra* note 26, at 688.

⁴¹ TCP Fundamental Principles, *supra* note 39.

⁴² TCP Fundamental Principles, *supra* note 39.

⁴³ 2006 Declaration, *supra* note 30; TCP Fundamental Principles, *supra* note 39.

function.⁴⁴ The concept was said to have three goals, one was historical/political.⁴⁵ The second was socioeconomic.⁴⁶ Last, the third was ideological.⁴⁷ These goals would be achieved by two or more of the ALBA member states cooperating in individual political, social, economic, scientific, or industrial projects.⁴⁸ GNEs were meant to concentrate on the production of goods and services to satisfy basic human needs of the peoples of the member states, while taking into account their economic complementarity, and operating based on solidarity, cooperation, mutual reciprocity, harmony with nature and the environment, the creation of work, and the equitable distribution of profits.⁴⁹ In essence, GNEs are bi-national mixed state enterprises operating in specified economic sectors.⁵⁰

ALBA did create a number of GNEs. One such example is a joint food distribution company created by Venezuela, Nicaragua, Ecuador, Bolivia, Honduras, and Dominica.⁵¹

⁴⁴ Proyectos Grannacionales, Bol. – Cuba – Dominica – Ecuador – Haiti – Hond -Nicar.- St. Vincent.- Venez., <https://www.albatcp.org/acta/proyectos-grannacionales/>.

⁴⁵ *Id.* (this concept sought the creation of a Latin American mega state, based on a common policy, within the realm of national sovereignty).

⁴⁶ *Id.* (this concept sought to create a development strategy meant to satisfy the social needs of all the peoples of the ALBA member states through joint action).

⁴⁷ *Id.* (this concept is based on an opposition to neoliberalism, and instead was aiming at sustainable development with social justice, self-determination, and national sovereignty).

⁴⁸ *Id.*

⁴⁹ *Id.*

⁵⁰ Maribel Aponte-Garcia, *Intra-Regional Trade and Grandnational Enterprises in the Bolivarian Alliance: Conceptual Framework, Methodology and Preliminary Analysis*, 3 INT'L J. OF CUBAN STUD. 181, 182-197 (2011).

⁵¹ James Suggett, *ALBA Trade Bloc Forms Joint Food Company at Summit in Venezuela*, VENEZUELA ANALYSIS (Feb. 3, 2009), <http://venezuelaanalysis.com/news/4165>. See also Tratado Energético del ALBA, art. 5, Apr. 29, 2007, <https://portalalba.org/documentos-alba/tratado-energetico-del-alba> [hereinafter ALBA Energy Treaty]; Bolivarian Alliance for the Americas [ALBA], *Proyectos Grannacionales* [Grannational Projects] (Apr. 28, 2007), <https://portalalba.org/documentos-alba/proyectos-grannacionales>; Camille Petersen, *Programas de ALBA-TCP en Bolivia* [ALBA-TCP Programs in Bolivia] (Spring 2012) (unpublished paper) (on file with the University of South Florida School for Independent Study Project Collection, http://digitalcollections.sit.edu/cgi/viewcontent.cgi?article=2319&context=isp_collection).

5. The Bank of ALBA

The Bank of ALBA (“Bank”), headquartered in Caracas, Venezuela, was created in 2008⁵² with an initial investment of \$49 billion.⁵³ It was first designed to finance development programs and projects in key economic sectors of the ALBA member states, as well as development programs and projects that were designed to reduce poverty.⁵⁴ The Bank was also meant to create and administer special funds for social solidarity and natural disaster aid and was intended to otherwise function as a financial institution for the benefit of its members.⁵⁵

The Bank completed its first transaction in 2010. It served as a payment clearing system, and its mechanism enabled importers to pay in one currency and exporters to receive payment in their own currency without the necessity of engaging in formal currency conversion transactions, thereby preventing additional conversion costs.⁵⁶ The Bank’s transactions peaked in 2013 but dropped precipitously in 2014-15 and never recovered.⁵⁷ The Bank’s mechanism was mostly used to finance trade between Venezuela and Ecuador and the collapse of the Venezuelan economy in 2014-15 put an end to those transactions.⁵⁸ In spite of recent statements by Venezuelan President Nicolás Maduro about relaunching it,⁵⁹ the Bank of ALBA does not seem to be operational at this time.

6. PETROCARIBE and Venezuelan Petro Diplomacy

PETROCARIBE’s relationship to ALBA is hard to understand from an examination of the former’s constitutive agreement. PETROCARIBE is not referred to as part of ALBA. The reference to the ALBA-Caribe fund seemed to imply some sort of a relationship between both entities but did not clarify the

⁵²Alianza Bolivariana para los Pueblos de Nuestra América-Tratado de Comercio de los Pueblos [ALBA-People’s Trade Treaty], Acta Fundamental del Banco del ALBA [Founding Act of the Bank of ALBA], Jan. 26, 2008, <https://portalalba.org/documentos-alba/acta-fundacional-del-banco-del-alba>.

⁵³ See ILICH AGUIRRE ET AL., BANCO CENTRAL DEL ECUADOR, DIAGNÓSTICO DE LOS PROCESOS DE INTEGRACIÓN EN LATINOAMÉRICA Y EL CARIBE: DOCUMENTO TÉCNICO No. 06, at 18-19 (2016), https://www.bce.fin.ec/images/BANCO_C_ECUADOR/PDF/doctec6.pdf.

⁵⁴ *Id.*

⁵⁵ *Id.*

⁵⁶ Stephanie Pearce, *The First Five Years of the SUCRE: Successes and Limitations of ALBA’s Regional Virtual Currency*, in UNDERSTANDING ALBA: PROGRESS PROBLEMS AND PROSPECTS OF ALTERNATIVE REGIONALISM IN LATIN AMERICA AND THE CARIBBEAN 74-75 (Asa K. Cusack ed., 2018).

⁵⁷ *Id.* at 75. For example, the Bank’s closed transactions totaled \$8 million in 2010, \$172 million in 2011, and \$1 billion in 2013.

⁵⁸ *Id.* at 78-81.

⁵⁹ *Relanzarán el Banco del ALBA y evaluarán implementación del Petro para intercambio en la región*, LA CORPORACIÓN ECOSOCIALISTA EZEQUIEL ZAMORA (June 11, 2020), www.corpoez.gob.ve/relanzaran-el-banco-del-alba-y-evaluaran-implementacion-del-petro-para-intercambio-en-la-region.

specifics of that relationship. Moreover, the PETROCARIBE organization also had its own Executive Secretariat and Council of Minister, implying that it was a separate organization from ALBA.

PETROCARIBE was created by an agreement signed at a summit of Caribbean nations held in 2005 (“PETROCARIBE Agreement”). It was intended to increase energy security in the Caribbean, correct structural inequalities in the world hydrocarbons market (which penalized poorer states), and facilitate energy policies and plans directed to the economic development and integration of Caribbean states through the equitable use of hydrocarbon supplies.⁶⁰

Operationally, the PETROCARIBE Agreement was essentially a mechanism that provided a template for the sale of Venezuelan oil. First, Venezuela would create a subsidiary of its state-owned oil company, PDVSA, which would guarantee oil supplies to the PETROCARIBE member states prices that could be financed long-term.⁶¹ These Venezuelan products could be paid for either in goods and services or in cash at deeply discounted prices.⁶² This entity would also organize a logistical distribution chain for these products.⁶³

The PETROCARIBE Agreement also created an ALBA-Caribe Fund, which would be used for the economic and social development of Caribbean states, and which would be funded by an initial Venezuelan contribution of \$50 million and future contributions from deferred payments received from oil purchasers.⁶⁴

The original signatories to the PETROCARIBE Agreement included, in addition to Venezuela: Antigua, the Bahamas, Belize, Cuba, Dominica, the Dominican Republic, Grenada, Jamaica, St. Lucia, St. Chris, St. Vincent, and Surinam.⁶⁵ None of these signatories, with the exception of Cuba and Venezuela, were members of ALBA.

A second agreement signed in 2007 (“2007 PC Agreement”) sought to reaffirm the concepts described in the PETROCARIBE Agreement and extend its reach beyond the Caribbean basin. Its provisions were not as specific as those of the PETROCARIBE Agreement, but its general terms were similar. First,

⁶⁰ *Acuerdo de Cooperación Energética PetroCaribe* [PetroCaribe Energy Cooperation Agreement], June 29, 2005, <https://docs.venezuela.justia.com/federales/leyes/ley-aprobatoria-del-acuerdo-de-cooperacion-energetica-petrocaribe.pdf>, translated in PETROCARIBE ENERGY COOPERATION AGREEMENT (U. N.M. LA-ENERGAIA PROJECT, ed., 2005) [hereinafter PETROCARIBE Agreement]; Gustav Cederlöf & Donald V. Kingsbury, *On PetroCaribe: Petropolitics, Energopower, and Post-Neoliberal Development in the Caribbean Energy Region*, 72 POL. GEOGRAPHY ELSEVIER 124 (2019).

⁶¹ PETROCARIBE Agreement, *supra* note 60, at art. II, para. 1; at art. IV, para. 2.

⁶² PETROCARIBE Agreement, *supra* note 60, at art. IV.

⁶³ PETROCARIBE Agreement, *supra* note 60, at art. III, para. 5.

⁶⁴ PETROCARIBE Agreement, *supra* note 60, at art. II.

⁶⁵ PETROCARIBE Agreement, *supra* note 60, at art. VI.

operations described under the 2007 PC Agreement would be run by the same PDVSA subsidiary that ran the original agreement.⁶⁶ Furthermore, Venezuela would supply oil to the agreement signatories under discounted terms. In turn, they would agree on initiatives to supply gas and to work on the expansion of hydroelectric and other renewable sources of energy.⁶⁷ Moreover, mixed binational enterprises would be created to develop petroleum refining infrastructure, as well as storage and distribution facilities and electric generation plants.⁶⁸

The 2017 PC Agreement was signed by some, but not all, of the signatories of the original PETROCARIBE Agreement. They were Belize, Cuba, Dominica, Grenada, Haiti, Nicaragua, St. Vincent, Surinam, and Venezuela.⁶⁹

At the same time, ALBA seemed to be creating a competitor to PETROCARIBE. In 2007, ALBA entered into an energy treaty (“AE Treaty”), signed by Bolivia, Cuba, Nicaragua, and Venezuela, that was meant to create hydrocarbon infrastructure among the ALBA member states.⁷⁰ In this treaty, Venezuela gave the signatory states access to a portion of its oil reserves, whose exploration and exploitation would be undertaken by a Grannational Enterprise, which would be known as Petro ALBA.⁷¹ The AE Treaty, in language very similar to that of the PETROCARIBE Treaty,⁷² also provided that ALBA would foster the development of initiatives to permit the exploitation of gas reserves and the creation of alternative sources of energy.⁷³

In fact, the PETROCARIBE and AE treaties seem to have almost identical language with one exception: the AE Treaty expressly states that the arrangements and relationships created therein form part of ALBA, while the PETROCARIBE Treaty does not.⁷⁴ To add to the confusion, ALBA and PETROCARIBE have interacted with each other and have held joint summits.⁷⁵ Furthermore, it appears that some ALBA members obtained their subsidized supplies of Venezuelan hydrocarbon products through PETROCARIBE, while some obtained their supplies through Petro ALBA. Cuba, on the other hand, despite being part of both

⁶⁶ See Tratado de Seguridad Energética PetroCaribe [PetroCaribe Energy Security Treaty], Aug. 11, 2007, <http://www.granma.cu/granmad/secciones/petrocaribe/que-es/que-3.html> [hereinafter 2007 PC Agreement].

⁶⁷ See 2007 PC Agreement, *supra* note 66.

⁶⁸ 2007 PC Agreement, *supra* note 66, at art. III; Cederlöf, *supra* note 60, at 129.

⁶⁹ 2007 PC Agreement, *supra* note 66.

⁷⁰ ALBA Energy Treaty, *supra* note 51.

⁷¹ ALBA Energy Treaty, *supra* note 51, at art. II, para. 1.

⁷² Compare 2007 PC Agreement, *supra* note 66 with ALBA Energy Treaty, *supra* note 51.

⁷³ ALBA Energy Treaty, *supra* note 51.

⁷⁴ See *supra* notes 64 and 68 and accompanying text.

⁷⁵ Sistema Económico Latinoamericano y del Caribe, EVOLUCIÓN DEL ACUERDO DE COOPERACIÓN ENERGÉTICA [Latin American and Caribbean Economic System, Evolution of the Energy Cooperation Agreement], June 2015, <http://www.granma.cu/granmad/secciones/petrocaribe/que-es/que-3.html>.

PETROCARIBE and Petro ALBA, obtained its Venezuelan hydrocarbon supplies through a different bilateral 2000 agreement with Venezuela.⁷⁶

Why create several organizations with the same goals? It appears that both PETROCARIBE and Petro ALBA, rather than representing potentially competing organizations, merely represented a series of individual transactions entered into by Venezuela, designed to use its own oil wealth to increase its political and economic influence in the Caribbean and to attempt to counter any political or economic United States intervention in the region.⁷⁷

At this point, both PETROCARIBE and Petro ALBA are out of business⁷⁸ because the major decrease in the price of crude oil and the collapse of the Venezuelan oil industry in 2014 have resulted in making these transactions logistically impossible and economically unattractive. Venezuela simply cannot afford to subsidize foreign oil sales anymore, and its customers can obtain better terms elsewhere.⁷⁹

The collapse of PETROCARIBE and Petro ALBA has also left its participants with a massive problem. The hydrocarbon supplies sold at a discount under these arrangements were financed by Venezuela through long-term, low-interest loans. The purchasers are now saddled with billions of dollars in debt that most of them cannot afford to pay back. Even if some of these purchasers were in a position to repay these loans, they would be unable to do so because United States sanctions imposed on Venezuela would make it impossible to route these payments to Venezuelan banks.⁸⁰ These purchasers are therefore stuck in an untenable situation: owing considerable sums of money for past petroleum imports which can't be repaid.

7. An Assessment

ALBA represented a political and ideological response to the economic neoliberalism that took hold in Latin America in the 1980s. It sought to foster Latin American resistance to the United States and global multinational organizations, as well as economic emancipation from the global international trade system. Its basis was political, rather than economic.⁸¹

⁷⁶ *Id.* at 8.

⁷⁷ Cederlöf, *supra* note 60, at 125.

⁷⁸ Cederlöf, *supra* note 60, at 59. At this point, it appears that only Cuba, through a series of barter transactions, is receiving Venezuelan oil supplies.

⁷⁹ Cederlöf, *supra* note 60.

⁸⁰ Cederlöf, *supra* note 60.

⁸¹ Asa K. Cusack, *Pragmatism Left, Right, and Centre? Revisiting ALBA Accession in the Eastern Caribbean* 115 (Asa K. Cusack, ed., 2018); Castro Speech, *supra* note 21; Rosalba Linares, *The Alba Alliance and the Construction of a New Latin American Regionalism*, 3.2 & 3.3

ALBA also rested on a socialist vision of the state and of economic development, which placed principal emphasis on the role of the state as the main engine of economic activity.⁸² This state control of both national and supranational economic interactions implied a return to an import substitution and command economy model,⁸³ as well as the nationalization or renationalization of natural resources.⁸⁴ At the national level, economic growth would be the endogenous result of an economic system whose principal goal is the elimination of poverty and inequality.⁸⁵ At the transnational level, this approach sought horizontal integration among its members, which would create a more democratic and multipolar world order.⁸⁶ Horizontal integration would result in an alliance of like-minded states where goods and services would not be exchanged for profit, but instead according to the capacities and needs of the parties.⁸⁷

ALBA's model was an attractive idea in 2006 partly as a result of left-wing candidates winning presidential elections in Latin America.⁸⁸ Moreover, for countries struggling with poverty and inequality, ALBA's new ideas highlighting non-profit making trade focusing on social development and cooperation, rather than economic competition, seemed like a breath of fresh air.⁸⁹

Unfortunately, several problems arose within ALBA that undermined these goals and threatened its growth. As we have seen, one of ALBA's principal proponents was Venezuelan President Hugo Chávez. In Venezuela, his administration created a parallel economy in which ownership of social goods and products technically owned by the state were meant to be controlled by the community and used for its benefit. Under this model, mass popular organizations were given the power to use state resources for the elimination of inequality and the equalization of wealth without regard to economic norms and without any coordination or supervision. ALBA imported this model through its Social Movements Council, which had direct access to its decision-makers. The problem

INTERNATIONAL JOURNAL OF CUBAN STUDIES 145, 150 (2011),
<http://cubanstudies.plutojournals.org>.

⁸² See generally Helen Yaffe, *Cuban Development: Inspiration for the Bolivarian Alliance for the Americas (ALBA)*, 15.2 JOURNAL OF IBERIAN AND LATIN AMERICAN RESEARCH 145, 151 (2009); Larry Catá Backer, *Economic Globalization Ascendant and The Crisis of the State: Four Perspectives on the Emerging Ideology of the State in the New Global Order*, 17 BERKELEY LA RAZA LJ. 141, pincite (2006); Maribel Aponte-Garcia, *Intra-regional Trade and Grandnational Enterprises in the Bolivarian Alliance: Conceptual Framework, Methodology and Preliminary Analysis*, 3.2 & 3.3 INTERNATIONAL JOURNAL OF CUBAN STUDIES 181, pincite (2011).

⁸³ Catá Backer, *supra* note 82.

⁸⁴ Christopher David Absell, *Self-Awareness and Critique: An Overview of ALBA Research*, in UNDERSTANDING ALBA: THE PROGRESS, PROBLEMS AND PROSPECTS OF ALTERNATIVE REGIONALISM IN LATIN AMERICA AND THE CARIBBEAN, 13 (Asa K. Cusack, ed., 2018).

⁸⁵ Aponte-Garcia, *supra* note 82.

⁸⁶ Hirst, *supra* note 1.

⁸⁷ Cole - *Progress*, *supra* note 2, at 116.

⁸⁸ Cusack, *supra* note 81.

⁸⁹ Yaffe, *supra* note 82; Cusack, *supra* note 81.

here was that under ALBA, the state was meant to be the principal actor and coordinator in national economies and regional integration. In the Social Movements Council, ALBA created a powerful rival to siphon off economic resources for other uses at a regional level. This contradiction also undermined the member states' sovereignty and undermined the main engine of integration of ALBA's model: the state.⁹⁰

ALBA, like many other Latin American integration organizations (regardless of ideology) sowed the seeds of its own decline by failing to create any real supranational institutions or structure, which would have engendered an institutional framework and personality, and which would have implemented its agenda. It was, instead, an entity whose agenda, decisions, and actions depended exclusively on the consensus of the presidents of its member states. The tradition of strong inter-presidential dynamics in Latin America made it too prone to the national agendas and personalities of these leaders. ALBA, therefore, became a creature of presidential summitry where any action was dependent on the congruence of the agendas of the leaders attending the summit and their willingness to implement its decisions. A failure of the presidents to agree would result in no action. Moreover, ALBA's lack of a dispute resolution mechanism made it, in my opinion, impossible for it to enforce any norms it created.

Additionally, ALBA's emphasis on using trade and financial resources principally to aid the poor was unlikely to attract the participation of the wealthier countries in Latin America, such as Brazil, Chile, or Mexico, since they would be expected to be the principal sources of finance for its projects. Despite their wealth in comparison to many others, these countries also had pressing needs to finance within their own borders.⁹¹ Moreover, President Chavez's foreign policy actions alienated many potential allies and turned them into opponents, and sometimes even resulted in the election of national leaders who were hostile to ALBA and its ideology.⁹² So, ALBA became a small conglomeration of poor countries relying on the largess of its largest and wealthiest member, Venezuela.⁹³

⁹⁰ Yaffe, *supra* note 82; Cusack, *supra* note 81.

⁹¹ Cusack, *supra* note 81.

⁹² Olivier Dabène, Professor, Paris Institute of Political Studies (Sciences Po), Paper delivered at the 2012 Congress of the Latin American Studies Association (LASA) Panel "Waves of change in Latin America. History and Politics": Explaining Latin America's Fourth Wave of Regionalism (May 25, 2012) at 44-45. These actions included:

- Venezuelan interference in the 2006 Mexican presidential elections, which created Mexican hostility to Chavez, Venezuela, and any of its initiatives;
- a quarrel between Venezuela and Brazil in 2007 resulted in Brazil blocking a number of ALBA initiatives, such as the Bank of the South and PETROSUR;
- Venezuela's interference with the Peruvian 2006 presidential election, which resulted in the election of Alan García, a conservative candidate. Mr. García looked at steering Peru to alternative political and economic coalitions, including signing a Free Trade Agreement with the United States.

⁹³ Cusack, *supra* note 81, at 220-21.

Moreover, the implementation of ALBA's agenda was irregular and uneven at best. For example, only some of the Grannational enterprises and agreed upon projects ever got off the ground and, since the economies of many of the member states did not perform as expected, these members needed to rely on the private sector, rather than the state, for crucial financing.⁹⁴ Moreover, no People's Commerce Treaty was ever drafted or signed, and the Bank of the ALBA never seems to have gone beyond serving as an intermediary for Venezuelan funds. These failures gave ALBA a reputation for creating grandiose plans while lacking the internal coherence and competence to implement them. In other words, ALBA was all talk and no action.⁹⁵ This image did not help ALBA, since it faced a substantial amount of competition from other Latin American integration organizations such as the Andean Community and MERCOSUR. All these institutions were in essence competing for members and influence. Since neither the presidents nor the governments of the nations of Latin America had the time or assets to participate in all institutions, they had to choose which one would most benefit their interests. For the reasons discussed above, ALBA was not an attractive candidate.

8. The End of ALBA

After the death of Hugo Chávez in 2013, Venezuela's economy took a nosedive because of economic mismanagement and a drastic decline in the worldwide price of crude oil. Thus, it could no longer serve as ALBA's paymaster, and remittances to its member states dried out. Moreover, Chavez's successor as president, Nicolás Maduro, has shown no interest in making ALBA one of his priorities. As a result, Bolivia and Ecuador left ALBA to join MERCOSUR. The remaining member states do not seem to have the resources, interest, or clout to operate ALBA or to move its priorities forward. As of today, ALBA is essentially defunct.

II. UNASUR: THE INTEGRATION SUPERMARKET

A. Introduction

In this section, I shall examine and evaluate UNASUR's origins, mission, organization and structures, institutions, achievements, and challenges, as well as its ultimate failure.

A second entity that arose from regional discontent with the neoliberal integration model was the Union of South American Nations ("UNASUR"). UNASUR arose from an agreement between the member states of MERCOSUR and the Andean Community and was meant to expand the economic models espoused by these organizations. UNASUR's planned agenda and model would cover political coordination, infrastructure integration, scientific and technological

⁹⁴ Cusak, *supra* note 81, at 221-24.

⁹⁵ Cusak, *supra* note 81, at 221-24.

cooperation, and regional development, in addition to economic and trade integration.⁹⁶ In fact, it was modeled after the European Union and sought to establish full economic, political, and monetary unity in South America.⁹⁷ UNASUR, like ALBA, failed in achieving its goals and is essentially defunct.

B. The Origins of UNASUR

As noted above, UNASUR arose out of a series of meetings among a number of the member states of both the Andean Community and MERCOSUR. As early as 2004, at a meeting in Cusco, Perú, the countries in attendance contemplated the development of a new “integrated space” which would, in addition to embracing and deepening the agenda of the Andean Community and MERCOSUR, include political, social, and economic cooperation and coordination. This “new space” would deepen the economic links that already existed among those countries.⁹⁸ In other words, UNASUR would recharge the Andean Community and MERCOSUR models of economic integration and expand regional integration into other, non-economic areas.

A year later, the same countries sought to concretize the characteristics of the new organization, described previously, by creating a working plan for its creation. This working plan was based on six different concepts: the coordination of foreign policy; the deepening of the MERCOSUR and Andean Community agreements; the development of physical and energy integration; the creation of common development policies, especially in agriculture and food production; cooperation in the technological, scientific, and political realms; and the integration of social and civil groups.⁹⁹

A series of meetings followed, where work implementing these agreed-upon concepts continued.¹⁰⁰ By May of 2008, an agreement was reached on a formal treaty, and UNASUR was born.

⁹⁶ Fernando Ferrari-Filho, *A Regional Arrangement Proposal for the UNASUR*, 34 BRAZ. J. OF POL. ECON., No. 3 (136) 413, 415 (2014), <https://doi.org/10.1590/S0101-31572014000300004>.

⁹⁷ Eric Mosinger, *Integration at the Summit: UNASUR and the Politics of Presidential Authority*, in INTERNATIONAL STUDIES ASSOCIATION ANNUAL CONVENTION, MONTREAL, QUEBEC, CANADA at 1 (2011) [hereinafter Mosinger].

⁹⁸ *Declaración de Cusco sobre la Comunidad Sudamericana de Naciones, III Cumbre Presidencial Sudamericana* (2004), https://www.europarl.europa.eu/meetdocs/2004_2009/documents/fd/200/200412/20041216_03_d.pdf.

⁹⁹ See Reunión de las Secretarías Técnicas de las Instituciones Regionales y Subregionales de la Comunidad Sud Americana de Naciones, *Bases Para un Plan de Trabajo Conjunto* Document SG/di 789 (2013), <http://intranet.comunidadandina.org/Documentos/DInformativos/SGdi759.doc>.

¹⁰⁰ See Documento Final de la Comisión Estratégica de Reflexión: Un Nuevo Modelo de Integración de América del Sur-Hacia la Unión Sudamericana de Naciones (2006), http://www.iirsa.org/admin_iirsa_web/Uploads/Documents/rp_cochabamba06_csn_documento_final_comision_estrategica_de_reflexion.pdf; *Declaración de Cochabamba-Colocando la Piedra*

C. UNASUR's Mission, Organization, and Structure

1. UNASUR's Mission

The treaty creating UNASUR lists an overwhelmingly broad and overarching mission for the organization (“UNASUR Treaty”). They include “creating, in a broad and consensual manner, social economic and political integration” among its member states “in order to eliminate socio-economic inequality, achieve social inclusion and citizen participation, strengthen democracy and strengthen their sovereignty and independence.”¹⁰¹ This broad mission was then further supplemented by twenty-one specific goals covering every conceivable area of potential cooperation among the member states.¹⁰² UNASUR's to-do list was enormous and, in my view, probably unachievable.

At its zenith, UNASUR's member states included: Argentina, Bolivia, Brazil, Chile, Colombia, Ecuador, French Guiana, Paraguay, Perú, Surinam, Uruguay, and Venezuela.¹⁰³

Fundamental para una Unión Suramericana (2006),
http://www.iirsa.org/admin_iirsa_web/Uploads/Documents/rp_cochabamba06_csn_declaracion_d_e_cochabamba.pdf.

¹⁰¹ Tratado Constitutivo de la Unión de Naciones Suramericanas art. 2 (2008),
http://www.iirsa.org/admin_iirsa_web/Uploads/Documents/rp_brasilia08_cumbre_unasur_tratado_constitutivo.pdf. [hereinafter *Tratado UNASUR*].

¹⁰² *Tratado UNASUR*, *supra* note 101, at art. 3. These specific goals included:

- strengthening political dialogue;
- social and human development with equity and inclusion in order to eradicate poverty and overcome the inequities present in the region;
- energy integration;
- Infrastructure development;
- financial integration;
- protection of biodiversity;
- development of concrete and effective mechanisms for the overcoming of asymmetries;
- consolidation of a South American identity;
- universal access to social security and health services;
- cooperation in migration;
- economic and commercial cooperation;
- industrial and production integration;
- the definition and implementation of common projects in research and innovation;
- promotion of cultural diversity;
- citizen participation;
- coordination among specialized institutions;
- judicial cooperation;
- exchange of defense information;
- cooperation in the strengthening of citizen security; and
- sectoral cooperation.

¹⁰³ Ferrari-Filho, *supra* note 96, at 420-421.

2. UNASUR's Institutions

UNASUR's ambitious agenda was meant to be achieved through the work of four principal institutions: the Council of Heads of State, the Council of Foreign Ministers, The Council of Delegates, and the Secretary General.¹⁰⁴

As was the case with ALBA, all policy and decision-making authority in UNASUR resided in the Council of Heads of State, which was set to meet once a year.¹⁰⁵ The Council of Foreign Ministers were mostly involved, as a body, in formulating and coordinating proposals for consideration by the Council of Heads of State, or in implementing its decisions. Two major exceptions included their power to decide on the yearly budget and on the financing of common projects.¹⁰⁶ The Council of Delegates formulated detailed proposals for the Council of Foreign Ministers to consider, and to further implement the decisions of the Council of Heads of State.¹⁰⁷ Lastly, the Secretary General and his staff were charged with preparing for and rendering administrative support to all of the other institutions, preparing administrative regulations, and preparing a draft budget for approval by the Council of Foreign Ministers.¹⁰⁸

As was the case with ALBA, several operational issues affected UNASUR's institutions from the very start and made the possibility of concerted action unlikely. First, all decision-making power rested in the hands of the heads of states of its members, which met infrequently. As seen in our discussion on ALBA, if the heads of state failed to reach a consensus on a particular subject (for any reason, including lack of interest), then UNASUR would be unable to act. Moreover, all of UNASUR's institutions were required to operate by consensus, again making it extremely hard for any of these institutions to agree on specific recommendations or actions since an objection from a single member state could derail a proposal.¹⁰⁹

Furthermore, the effectiveness of any policies or decisions was also severely hampered in two different ways. First, the treaty provided that any member state could be totally or partially exempted from any policy or decision made by UNASUR.¹¹⁰ In practice, this would mean that any member state could, in

¹⁰⁴ Tratado UNASUR, *supra* note 101, at art. 4. A fifth institution, the President Pro-Tem, was meant to rotate in alphabetical order among the member states on a yearly basis. Its function appears to be purely ceremonial. Tratado UNASUR, *supra* note 101, at art. 7. The Treaty also mentions the creation of a South American Parliament, but this institution was never created.

¹⁰⁵ Tratado UNASUR, *supra* note 101, at art 6.

¹⁰⁶ Tratado UNASUR, *supra* note 101, at art 8. They are to meet twice a year.

¹⁰⁷ Tratado UNASUR, *supra* note 101, at art 9. They are to meet six times a year.

¹⁰⁸ Tratado UNASUR, *supra* note 101, at art 10.

¹⁰⁹ Tratado UNASUR, *supra* note 101, at art 12. The Treaty defines consensus as the approval of $\frac{3}{4}$ of the member states, even if they are not present at the meeting where the decision or recommendation was being discussed. *Id.*

¹¹⁰ Tratado UNASUR, *supra* note 101, at art 13.

exchange for its agreement to approve any policy it did not like, seek a total or partial exemption from its coverage. Lastly, UNASUR's norms were essentially unenforceable because the Treaty did not provide for any enforcement mechanism to deal with member states' non-compliance. Similarly, the UNASUR Treaty provided no dispute resolution mechanism to resolve issues involving the organization or its member states or to interpret any norms that they might create.¹¹¹

3. UNASUR's Specialized Agencies

The UNASUR Treaty provided for the creation of permanent or temporary specialized agencies.¹¹² With one exception, all these agencies were not specifically mentioned in the treaty but were instead created by a decision from the Council of Heads of State.¹¹³

UNASUR's specialized agencies included the Energy Council,¹¹⁴ the South American Defense Council,¹¹⁵ the Economic and Financial Council,¹¹⁶ and the Infrastructure Council.¹¹⁷ In this section, we will examine them individually and assess them collectively.

i. The Energy Council

As early as May 2008, the Energy Council adopted a strategy and plan of action for energy integration that included proposals for action in several areas, such as the extraction and delivery of energy, the development of biofuels, the use of public/private ventures, the protection of the environment, the use of alternative energy sources, universal and non-discriminatory access to energy for all, and the

¹¹¹ Tratado UNASUR, *supra* note 101, at art 21. According to the Treaty, any disputes (whether among the member states or between a member state and UNASUR) were to be resolved by direct negotiations among the parties. If negotiations were unsuccessful, then first the Council of Delegates or then the Council of Foreign Ministers could recommend a solution of the dispute to the parties.

¹¹² Tratado UNASUR, *supra* note 101, at art 5.

¹¹³ Tratado UNASUR, *supra* note 101, at art 5. The one exception was the South American Energy Council, which was specifically mentioned in the Treaty.

¹¹⁴ Tratado UNASUR, *supra* note 101, at art 5.

¹¹⁵ UNASUR *Decisión para el Establecimiento del Consejo de Defensa Suramericano de UNASUR* (2008), https://www5.pucsp.br/ecopolitica/downloads/seguranca/Decision_Consejo_Defesa_Suramericano_2008.pdf [hereinafter *Decisión Est CDS*].

¹¹⁶ UNASUR, *Consejo Suramericano de Economía y Finanzas, Estatutos*, <https://studylib.es/doc/4590370/estatuto-consejo-suramericano-de-econom%C3%ADa-y-finanzas> [hereinafter *Estatuto Consejo Economía*].

¹¹⁷ UNASUR, *Consejo Suramericano de Infraestructura y Planeamiento, Estatutos (2009)*, http://www.iirsa.org/admin_iirsa_web/Uploads/Documents/cosiplan_estatuto.pdf [hereinafter *Estatuto Consejo Infraestructura*].

relationship between energy and food production.¹¹⁸ The latter proposals gave these plans an innovative social dimension.¹¹⁹

Three of these proposals for action (energy extraction and delivery, biofuels, and public/private ventures) placed UNASUR in direct competition with ALBA's energy policy and entities, which were pursuing proposals in the same areas.¹²⁰ These competing proposals could become very problematic since ALBA and UNASUR shared member states.

By May 2010, the Council's working group began work on a draft of the South American Energy Treaty.¹²¹ Despite several additional meetings, no treaty draft was ever created. In fact, the Council seemed to recognize that this proposed treaty would duplicate work already being performed by ALBA.¹²² This may have been a recognition of a weakness in both ALBA's and UNASUR's energy policy: the dependence on Venezuelan oil production and capital to finance these ventures. When Venezuela's oil industry imploded after the death of President Chávez, any thoughts of energy integration within UNASUR may have, I believe, essentially died with him.¹²³

In fact, a comparison of the work of the Energy Council with that of PETROCARIBE leads to the conclusion that they were both Venezuelan energy "deals," meant to exchange subsidized hydrocarbon products for political influence.¹²⁴

ii. The South American Defense Council

The South American Defense Council ("SADC") was established in December of 2008 and sought to coordinate defense policy, increase Latin American cooperation on humanitarian and peace operations, and establish and

¹¹⁸ UNASUR, *Declaración del I Consejo Energético de Suramérica* (May 8, 2008).

¹¹⁹ Bilotta, *supra* note 2.

¹²⁰ See *supra* notes 69-76 and accompanying text.

¹²¹ UNASUR, *Propuesta, Plan de Implementación y Cronograma para el Desarrollo del Contenido del Tratado Energético Suramericano* (May 4, 2010),

http://www.iirsa.org/admin_iirsa_web/Uploads/Documents/rp_cardales2010_declaracion.pdf.

¹²² See UNASUR, *Decisión para la Aprobación de los Lineamientos de la Estrategia Energética Suramericana, los Lineamientos del Pla de Acción para la Integración Energética Regional y la Estructura del Tratado Energético Suramericano* (May 4, 2010),

http://www.itamaraty.gov.br/images/ed_integracao/docs_UNASUL/DEC.2010.ESTRENERG.pdf;

Declaración de la III Reunión del Consejo Energético de Suramérica (May 18, 2012),

https://www.iri.edu.ar/images/Documentos/CENSUD/boletines/33/unasur_consejo_energetico.pdf

¹²³ Bilotta, *supra* note 2.

¹²⁴ See *supra* notes 59-76 and accompanying text.

coordinate technological & industrial policy in the defense sector.¹²⁵ These objectives were to be based on the principles of nonintervention and territorial integrity of all participating states.¹²⁶ The Council created a plan of action that stressed these goals, as well as joint training and operational cooperation among its military forces.¹²⁷

By 2011, the plan of action was expanded to include the creation of a South American military training aircraft, as well as the creation of a South American registry of defense expenditures.¹²⁸ The plans for building and designing this training aircraft did not come to fruition, partially because this project ran counter to extensive defense and aviation programs underway in Brazil, and no South American registry of defense expenditures was ever established.¹²⁹

A major impediment to the progress of the SADC's plans may have been the lack of basic commonality among the defense establishment of its member states. This included different conceptions by the member states of the functions and missions of the armed forces; the role of the armed forces in society; and different military organizations, equipment, and training.¹³⁰

After some initial successes in the establishment of cooperative links in some security and defense issues, the plans and agenda of the SADC stalled and were not realized.

iii. The Economic and Finance Council

The Economic and Finance Council ("EFC") was created in 2010 and like many of its agency counterparts, had an extensive and broad set of objectives and goals in its portfolio. These goals covered almost all possible issues related to finance, capital, and markets.¹³¹ The EFC established working groups to craft

¹²⁵ UNASUR, *Declaración de Santiago de Chile*, (Mar. 9-10, 2009), https://www.iri.edu.ar/revistas/revista_dvd/revistas/cd%20revista%2036/documentos/UNASUR/Declaracion_n%20de%20Santiago.pdf [hereinafter *Declaración Santiago 2009 CDS*].

¹²⁶ Babjee Pothuraju, *UNASUR and Security in South America*, INSTITUTE FOR DEFENCE STUDIES AND ANALYSES, 2 (Oct. 30, 2012), https://www.idsa.in/system/files/Backgrounder_UNASURandSecurityinSouthAmerica_Babjee.pdf.

¹²⁷ *Declaración Santiago 2009 CDS*, *supra* note 125.

¹²⁸ UNASUR, *I Reunión Extraordinaria del Consejo de Defensa Suramericano, II Declaración de Lima* (Nov. 10-11, 2011), <https://www.yumpu.com/es/document/read/22920115/ii-declaracion-de-lima>.

¹²⁹ *See Slow Progress on UNASUR Plans for a Joint Trainer Aircraft*, UNITED PRESS INTERNATIONAL, (May 28, 2013, 7:23 PM), <https://www.upi.com/Defense-News/2013/05/28/Slow-progress-on-Unasur-plans-for-a-joint-trainer-aircraft/88901369783388/>.

¹³⁰ Pothuraju, *supra* note 126, at 3-4.

¹³¹ *Estatuto Consejo Economía*, *supra* note 116. These goals included:

- strengthening the use of local currencies;
- creating a regional guarantees mechanism;

specific proposals to implement these goals. These proposals sought to reduce the vulnerability of the countries of South America to the fluctuation of foreign markets and to promote economic and social development.¹³²

Further meetings took place, and despite specific proposals from several member states,¹³³ all the EFC decided was to continue studying the issues identified in its action plan.¹³⁴ It appeared that the EFC never did anything else. As was the case with other UNASUR Councils, the EFC repeatedly discussed broad and ambitious plans but never moved towards implementing any of them.

iv. The Infrastructure and Planning Council

The Infrastructure and Planning Council (“IPC”) was also created in 2009 to develop an infrastructure for regional integration, stimulate regional cooperation in planning and infrastructure, promote the compatibility of current infrastructure, and promote the execution of priority infrastructure projects.¹³⁵ These objectives were to be reached in accordance with stated principles of complementarity, solidarity, and cooperation among the member states.¹³⁶ Again, the IPC does not

-
- promoting central bank coordination in the management of reserves;
 - considering the creation of coordination mechanisms of available financial funds, in order to obtain the financing of regional integration and development projects;
 - the development of a South American financial and capitals market;
 - the exploration of the development of policies and mechanisms to monitor capital flow;
 - developing a mechanism to protect the Latin American region from international market fluctuations;
 - the coordination of macroeconomic policies;
 - ensuring that social and human development is equitable;
 - constructing an economic system with, equity, social justice, and harmony with nature;
 - creating a system of growth and development which overcomes asymmetries;
 - creating financial integration through the adoption of mechanisms compatible with the fiscal and economic policies of the member states;
 - engaging in economic and commercial cooperation; and
 - engaging in sectoral cooperation. *Id.*

¹³² UNASUR, *Plan de Acción, Consejo Suramericano de Economía y Finanzas* (2011), <http://parlatino.org/pdf/comisiones/economicos/exposicion/xvi-plan-consejo-suramericano-aruba-22-sept-2011.pdf>.

¹³³ Examples of these proposals include a Colombian bid to strengthen the Latin American Reserves Fund, an Ecuadorian proposal to create a UNASUR reserves fund, a Venezuelan proposal to work with development funds, and a bid for regional banking to bring capital into the region. UNASUR, *Declaración de la II Reunión del Consejo Suramericano de Economía y Finanzas* (Nov. 25, 2011), https://economia.gov.py/application/files/2014/6521/2198/03_Declaracion_-_II_Reunion_CSEF_-_Nov_2011_1.pdf.

¹³⁴ *Id.*

¹³⁵ *Estatuto Consejo Infraestructura*, *supra* note 117.

¹³⁶ *Estatuto Consejo Infraestructura*, *supra* note 117. These principles included:

- integrity and complementarity of policies, programs, and projects of regional infrastructure;
- citizen participation and pluralism in integration initiatives;

seem to have generated any specific proposals to achieve the objectives. It, too, seems to have grandiose plans, but no achievements.

v. An Assessment

Examination of UNASUR's specialized agencies reveals that they all seemed to share three broad characteristics. First, they were created at about the same time (2008-2009) and their charters enumerated many extremely broad and ambitious specific goals. These goals were indeterminate and hard to quantify and seemed to cover any possible issue that may arise in the agencies' areas of concern. Many of the issues encompassed by these goals involved the solution of difficult and intractable problems, and it is hard to imagine how one particular agency could have resolved them. Second, although they held many meetings, created workgroups, and detailed action plans to study potential ways of implementing their goals, the specialized agencies rarely discussed specifics. Third, none of these specialized agencies ever produced or enforced any specific plans or projects to implement goals. In short, all of UNASUR's specific agencies discussed grand plans, but, after failing to come up with or implement specific solutions to the problems that they were discussing, achieved nothing.

4. UNASUR's Achievements and Challenges

From 2008 to 2010, UNASUR achieved some political success by serving as a rather successful mediator in several political crises, including an internal political crisis in Bolivia, conflicts between Bolivia and Colombia, protecting Ecuador's sovereign rights against United Kingdom interference, and monitoring the democratic process in countries like Guyana.¹³⁷

This promising start, however, gave way to a series of challenges that made it very difficult for UNASUR to function, and in the end, caused its demise. As was the case with ALBA, the principal problem facing UNASUR was the concentration of its power and decision-making authority in the hands of the presidents of its member states.¹³⁸ Thus, UNASUR's approach to policymaking and crisis

-
- gradual and flexible implementation, which recognizes national diversity, of agreed upon infrastructure projects; and
 - solidarity and cooperation in the evaluation and prioritization of infrastructure projects. *Id.*

¹³⁷ Pothuraju, *supra* note 126, at 1; FRANCISCO E. THOUMI, ET AL., THE IMPACT OF ORGANIZED CRIME ON DEMOCRATIC GOVERNANCE IN LATIN AMERICA (Friederich-Ebert-Stift, 2010); Nathaniel Parish Flannery, *Can South America Become the New European Union?*, FORBES, (Nov. 12, 2012), <https://www.forbes.com/sites/nathanielparishflannery/2012/11/30/can-south-america-become-the-new-european-union/?sh=46d6d9ec456c>; Eric Mosinger, *Crafted by Crises: Regional Integration and Democracy in South America* 173-175 in REGIONS AND CRISES (Lorenzo Fioramonti ed., 2012); Andrés Malamud, *Presidentialism and Mercosur: A Hidden Cause for a Successful Experience* in COMPARATIVE REGIONAL INTEGRATION: THEORETICAL PERSPECTIVES (F. Laursen ed., 2003).

¹³⁸ Mosinger, *Crafted by Crises: Regional Integration and Democracy in South America*, *supra* note 137.

resolution was through presidential summits, rather than through the development of consistent and sustainable policies arrived at by the participation of other actors, both national and supranational.¹³⁹ The UNASUR experience shows that presidential policymaking works only as long as there is agreement and consensus among the principals of the organization about vision, goals, and policies¹⁴⁰.

In the case of UNASUR, two of the major participants of its creation, Brazilian President Lula da Silva of Brazil and Venezuelan President Hugo Chávez, had vastly different visions of Latin American integration (capitalist vs. socialist) as well as different attitudes towards Latin America's relationship with the United States,¹⁴¹ with the latter favoring confrontation and the former favoring coexistence.¹⁴² Moreover, conflicting strategic interests among the member states also made agreements among the UNASUR presidents more difficult.¹⁴³ If the presidents could not agree, then UNASUR could not act.

This presidential model of decision-making in UNASUR was also problematic for several other reasons. First, because the UNASUR presidents generally served as the principal source of domestic power and policymaking,¹⁴⁴ their priority was the resolution of domestic issues. Consequently, they would have little time to dedicate to UNASUR business. They also tended to be reactive rather than proactive, and more inclined to spend their time making broad policy pronouncements rather than analyzing specific policy details. Since UNASUR's institutional model refused to allocate any policymaking authority to any of its supranational institutions, this lack of authority prevented the organization from reaching a consensus on specific goals and decisions, and, most importantly, implementing decisions they had already reached.¹⁴⁵ As noted above, UNASUR's lack of a mechanism for interpreting or enforcing its norms and resolving disputes among its members made it extremely hard to enforce any of its decisions or norms.¹⁴⁶

¹³⁹ Andrés Serbin, *¿Es Unasur la Alternativa?*, NUSO, No. 219, Jan-Feb 2009, <https://nuso.org/articulo/es-la-unasur-la-alternativa/> [hereinafter Serbin].

¹⁴⁰ Serbin, *supra* note 139 (describing national tensions among UNASUR leaders).

¹⁴¹ See Paul Kellogg, *UNASUR and the Eurozone Crisis*, E-INTERNATIONAL RELATIONS (Aug. 30, 2012), <https://www.e-ir.info/2012/08/30/unasur-and-the-eurozone-crisis/> (indeed, many observers viewed UNASUR as an organization centered around Brazilian initiatives).

¹⁴² Serbin, *supra* note 139, at 111.

¹⁴³ Pothuraju, *supra* note 126, at 3; Rita Marcela Gajate, *Construcción Institucional de la UNASUR*, in *MERCOSUR Y UNASUR ¿HACIA DÓNDE VAN?* 201, 201-02 (Noemí Beatriz Mellado ed.), http://sedici.unlp.edu.ar/bitstream/handle/10915/59808/Documento_completo.pdf-PDFA.pdf?sequence=1&isAllowed=y; Francisco E. Thoumi et al., *THE IMPACT OF ORGANIZED CRIME ON DEMOCRATIC GOVERNANCE IN LATIN AMERICA* 29 (Friedrich Ebert Stiftung, 2010), <https://library.fes.de/pdf-files/iez/07386.pdf>.

¹⁴⁴ Mosinger, *supra* note 97, at 7.

¹⁴⁵ Mosinger, *supra* note 97, at 176.

¹⁴⁶ See *supra* notes 110-111 and accompanying text.

In an organization such as ALBA or UNASUR, member state participation and engagement would be dependent on what advantages the state perceived that it could gain from membership (such as enlarged markets, complementarity of neighboring economies, and global negotiating power) and at what cost.¹⁴⁷ In other words, in order to encourage the participation of its members and compliance with its norms, UNASUR needed to focus on the goals and values that its members wanted to achieve in order to arrive at specific projects which gathered a consensus of support, which would encourage them to continue and enlarge their participation in the joint enterprise.¹⁴⁸ Most importantly, UNASUR had to produce; it had to successfully complete these projects in order to encourage additional participation and compliance. As we have seen, unfortunately, UNASUR was unable to do this.

As previously noted, UNASUR's plans and goals were very broad and ambitious.¹⁴⁹ Several problems made these goals hard to achieve. First, UNASUR's lack of institutions with the authority to plan, agree upon, and implement specific projects and its overreliance on presidential summits made it extremely hard for the organization to make any plans or complete any projects. Second, the economies of UNASUR's member states were quite asymmetrical. Some UNASUR member states had highly developed economies, with extensive infrastructure, trade, and substantial available capital, while others had extremely underdeveloped economies, with little infrastructure or capital and great economic needs.¹⁵⁰ This situation created great demand from the former for capital and assistance for aiding projects of the latter. The more developed member states were expected to provide the capital and assistance for UNASUR projects. However, even the most developed member states had substantial needs and limited resources, which made them reluctant to spend significant amounts of their resources on foreign aid when these funds could be used to resolve urgent domestic needs. The substantial lack of basic infrastructure facilities among many of UNASUR's poorer members would require massive amounts of investment in order to generate increased development and trade, and these projects would be very hard to finance.¹⁵¹

5. The End of UNASUR

Several factors were responsible for the failure of UNASUR as an organization. First, the world economic crisis of 2008 generated great damage to the economies of Argentina, Colombia, and Venezuela, forcing their governments

¹⁴⁷ Nahuel Arenas-García, *21st Century Regionalism in South America: UNASUR and the Search for Development Alternatives*, 18 *ESHARP*, 68 (2012).

¹⁴⁸ Joseph S. Tulchin, *Thinking Ahead on UNASUR*, 1-2, Harvard University. Indeed, Tulchin suggests that it would have made more sense for UNASUR to deal with the least controversial and most easily achievable projects in order to create a pattern of cooperation and track record of success.

¹⁴⁹ See *supra* notes 102 and accompanying text.

¹⁵⁰ Ferrari-Filho, *supra* note 96, at 427.

¹⁵¹ Pothuraju, *supra* note 126, at 4; Jackson Bennett, *The Union of South American Nations: the New(est) Regionalism in Latin America*, 32 *SUFFOLK TRANSNAT'L LAW REV.* 6, 8 (2008).

to focus their efforts on resolving domestic crises. They simply did not have the time, resources, or inclination to support transnational development projects such as those suggested by UNASUR.¹⁵²

Furthermore, Venezuelan President Hugo Chávez, one of UNASUR's principal proponents and supporters both politically and financially, died in March of 2013, leaving Venezuela in a state of political and economic crisis.¹⁵³ In addition, between 2015 and 2017, the presidents of Argentina, Brazil, and Chile were replaced by ideological and political conservatives, creating a major ideological division in UNASUR¹⁵⁴. This ideological divide caused many disagreements and conflicts among its members.¹⁵⁵ These became so extreme that UNASUR was unable to elect a Secretary General for several months.¹⁵⁶

These ideological battles, along with UNASUR's lack of concrete achievements, resulted in Argentina, Brazil, Chile, Colombia, Paraguay, and Peru leaving the organization in April of 2018¹⁵⁷ and Uruguay leaving in 2020¹⁵⁸.

Many reasons have been proposed for the ultimate demise of UNASUR. One critic described it as “a talking head without an institutional body, a platform for speeches and photo opportunities with no real work since its goals were more aspirational than real.”¹⁵⁹ This lack of institutions made it impossible for it to achieve consensus on basic goals and values, rendering it useless.¹⁶⁰ Along the same lines, another critic described UNASUR as a presidents' club¹⁶¹ which was

¹⁵² *UNASUR in Crisis: Why are Their Projects Stagnating?*, LATIN AMERICAN POST (Nov. 3, 2018), <https://latinamericanpost.com/24363-unasur-is-in-crisis-why-are-their-projects-stagnating>.

¹⁵³ See William Neuman, *Chávez Dies, Leaving Sharp Divisions in Venezuela*, N.Y. TIMES, (Mar. 5, 2013), <https://www.nytimes.com/2013/03/06/world/americas/hugo-chavez-of-venezuela-dies.html>.

¹⁵⁴ See Tratado UNASUR, *supra* note 101 at Article 12.

¹⁵⁵ Bruno Binetti & Ben Raderstorf, *A Requiem for UNASUR*, GLOBAL AMERICANS (Apr. 25, 2018), <https://theglobalamericans.org/2018/04/a-requiem-for-unasur/>.

¹⁵⁶ Oscar Ugarteche & Armando Negrete, *Que Le Paso A la UNASUR?*, CEPRIID (May 24, 2018), <https://www.nodo50.org/ceprid/spip.php?article2344> (this crisis was prompted by Venezuela's refusal to accept a candidate proposed by Argentina); Darío Mizrahi, *5 Claves para Entender la Crisis (¿final?) de la UNASUR*, INFOBAE (Apr. 28, 2018), <https://www.infobae.com/america-latina/2018/04/28/5-claves-para-entender-la-crisis-final-de-la-unasur>.

¹⁵⁷ Binetti & Raderstorf, *supra* note 155.

¹⁵⁸ *Uruguay se Retira de la UNASUR y retorna al TIAR*, DEUTSCHE WELLE (Mar. 11, 2020), [https://www.dw.com/es/uruguay-se-retira-de-la-unasur-y-retorna-al-tiar/a-52716520#:~:text=El%20canciller%20de%20Uruguay%2C%20Ernesto,de%20Asistencia%20Rec%C3%ADproca%20\(TIAR\).](https://www.dw.com/es/uruguay-se-retira-de-la-unasur-y-retorna-al-tiar/a-52716520#:~:text=El%20canciller%20de%20Uruguay%2C%20Ernesto,de%20Asistencia%20Rec%C3%ADproca%20(TIAR).)

¹⁵⁹ *Id.*

¹⁶⁰ Detlef Nolte & Víctor M. Mijares, *La Crisis de UNASUR y la Deconstrucción de Sudamérica*, EL ESPECTADOR (Apr. 23, 2018), <https://www.elespectador.com/noticias/el-mundo/la-crisis-de-unasur-y-la-deconstruccion-de-sudamerica-articulo-751730>.

¹⁶¹ Mizrahi, *supra* note 156.

more interested in political pronouncements rather than in providing solutions to concrete problems.¹⁶²

CONCLUSION

The failure of ALBA and UNASUR to achieve their goals, or even survive, underscores several important lessons for integration organizations.

First, ALBA and UNASUR show us that founding a regional integration organization on the basis of a particular theory of economic development is not a good idea. The survival of such an organization must depend on the successful application and implementation of the theory to the realities on the ground. As discussed above, the different economic development theories that have been applied in Latin America since the end of World War II have lost support and credibility because they all failed to achieve their promises.¹⁶³ If the organization's implementation of its basic theory fails to achieve results, then it will lose credibility, support, and membership. The organization fails if its ideological base fails. More importantly, membership in such an organization requires that all the governments of its member states support its ideological basis. This limits growth, since states whose leadership does not support the organization's basic ideology will not join. Moreover, as seen with both ALBA and UNASUR, the organization's ability to function is hampered when new governments who do not support this basic ideology come to office, and member states will either not cooperate or leave the organization.

Second, placing all decision-making power and authority in an integration organization in the hands of the presidents of the member states, as was done with both ALBA and UNASUR, is also not a recipe for success. As we have noted above, because of the presidentialist style of government common in Latin America, heads of state face many urgent domestic issues on a daily basis.¹⁶⁴ They may also be involved in rivalries with other states. The presidents will not have much time, in a once-a-year meeting, to do more than agree on some "big picture" policies. In that case, who will make all the operational decisions that the organization will need in order to implement these policies? Because no other institutions within the organization have the power to make these operational decisions on a timely basis, the answer is no one. Lastly, both ALBA and UNASUR appeared to require that their member state presidents act by a supermajority or by consensus.¹⁶⁵ When such

¹⁶² Mizrahi, *supra* note 156 (when the majority of the members of this president's club ceased to be ideologically aligned with each other, the club became paralyzed and collapsed).

¹⁶³ See *supra* notes 6-12 and accompanying text.

¹⁶⁴ See *supra* note 138 and accompanying text.

¹⁶⁵ See Tratado UNASUR, *supra* note 101 at Art. 12. The ALBA 2009 Organization Agreement notes that all decision-making power rests on the Council of Chiefs of State, but does not indicate how they shall make decisions. See 2009 Organization Agreement, *supra* note 32.

a consensus cannot be reached for any reason, the institution is paralyzed, and nothing happens.

Third, an integration organization must, in order to survive and thrive, be able to point to a track record of specific achievements. Clearly, states will participate in the work of, or remain in, an international organization only if they see concrete benefits arising out of their membership.¹⁶⁶ They will want to see their investment in time and treasure yield some benefit to them within a reasonable period. This was a major problem for both ALBA and UNASUR. They spent years creating broad and vague plans that would be very hard to implement within a reasonable time and never devised any workable implementation strategies. In short, ALBA and UNASUR over-promised and under-performed. They would have been better served by setting smaller, more achievable goals at the beginning, which would have allowed their member states to cooperate with each other and build trust in the organization.

Fourth, in order to be able to achieve their goals, regional integration organizations must have an effective institutional structure. That is a structure where separate supranational institutions with clear areas of competence and authority work together to formulate the organizational agenda, implement its programs, and ensure that its norms are complied with by the member states. It is through their participation in the appropriate institutions where representatives of the member states and supranational civil servants can suggest plans, lobby, negotiate, and agree on plans and projects. This participation also creates trust in the organization. These institutions are also the ones charged with the implementation of these projects: they oversee the operational issues required to do so. They also monitor compliance with the organization's norms. In order for this institutional structure to be effective, it must be granted sufficient authority (both internally by the organization and externally by its member states) to achieve its mission. Neither ALBA nor UNASUR had such a structure.

Lastly, experience shows that disputes regarding the interpretation of, or compliance with, an integration organization's norms between an integration organization and a member state, or between member states, are likely to arise. In order to resolve these disputes, the organization must have a functional dispute resolution and enforcement mechanism. Both ALBA and UNASUR had no dispute resolution or enforcement mechanism. Thus, it would have been unable to resolve these disputes.

For all of these reasons, both ALBA and UNASUR were doomed to fail.

¹⁶⁶ See Rafael A. Porrata-Doria, Jr., *MERCOSUR: The Common Market of the Twenty-First Century?*, 32 GA. INT'L & COMPAR. L.J. 1, 40-43 (2004).