

## **The Role of Regional Integration in MERCOSUR Regional Peace and Development; An Approach to Human-Centered Geopolitics**

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### **Abstract**

The creation of regional or international organizations is considered as a way to peace building and keeping. In fact, one of the causes of transformation of international organization after the Cold War has been the settlement of peace and security in regional context. Latin America is among strategic regions of the world that has witnessed a new trend of regional integration after the end of the Cold War and the regional states have taken different ways to promote regional cooperation and alliance in different facets and in particular in economic and political realms. So, the research is intended to investigate the role of MERCOSUR in regional peace and development in Latin America. This paper argues that MERCOSUR has been successful, and it is in line with Latin America interests and also can provide a proper pattern of regional integration and interdependence and can be developed among the states which share common political interests.

**Keywords:** Regional Integration; Peace; Development; MERCOSUR; Latin America.

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### **1. Introduction**

During the history, peace has been one of goals of human beings. This goal was also reflected in the establishment of international society based on the United Nations charter (UN, 1945), in a way that respect to human rights and fundamental freedoms are seen as tools to realize this goal. This approach is also reflected in the Universal Declaration of Human Rights (1948), International Covenant on Civil and Politics Rights (1966) and International Covenant on Economics, Social and Cultural Rights (1966).

Peace has been at the focal point of different religions, philosophical schools and politicians. War and its negative consequences have vast economic disasters and also human casualties which has made peace and peaceful relations as a valuable dream and a necessity for human being that requires serious attempts.

Peace is a behavioral pattern in geopolitics. Behavioral pattern are the methods and approaches that are taken by different political actors based on principles of geography, politics, power and interests. Behavioral pattern is the result of composition of geography, politics and power which make the basic of geopolitics as a synthetic knowledge. So, these patterns are the result of synthesis of fundamental elements of geopolitics (Hafeznia, 2006: 324).

Peace is also at the focal point of Humane- Centered Geopolitics which does not support war, violence and crisis building, but it is in favor of providing strategies to settle the crises, violence, inequality and war. Humane-Centered Geopolitics proposes peaceful relations among nations and states and supports sustainable development and preserving environment. Humane- Centered Geopolitics does not cooperate with political actors who because people suffer from inequality, injustice and tyranny (Hafeznia, 2007: 2-3).

There are different views about the possibility of peace. Some like realists believe that hopes for international cooperation and ‘perpetual peace’ is a utopian delusion and the anarchic structure of international system does not allow sustainable peace. Vice versa, Liberals have a broadly optimistic view of human nature. Humans are self-seeking and largely self-reliant creatures; but they are also managed by reason and are capable of personal self-development. Liberals therefore condemn the use of force and aggression; for example, war is always seen as a choice of the very last recourse. As

such, the use of force may be justified, either on the grounds of self-defense or as a tool to counter oppression, but only after reason and negotiations have failed (Karimi, Hafeznia, Ahmadipour & Murphy, 2017: 76). Human has taken different ways to reach peace; one of them has been creating regional or international organizations. In fact, one of the causes of transformation of international organization after the Cold War has been the settlement of peace and security. Meanwhile, the role of international organizations to settle conflicts is more vital and important, because they have, as transnational organizations, the ability and legitimacy to play an important role. In this regard, MERCOSUR settled as an international organization in 1991 to develop economic and cultural cooperation and to create regional peace and stability. This article is intended to investigate the role of MERCOSUR in peace and development in Latin America by the approach of human-centered geopolitics.

## **2. Research Method**

This paper is a descriptive-analytic study with an emphasis on comparative approach and data gathering method is based on documentation.

## **3. Theoretical Debate**

### **3.1. Key Terms of the Research**

#### **3.1.1. Peace**

Johan Galtung, in peace by peaceful means (1991) pointed out that there are three types of violence – direct violence, structural violence, and cultural violence. So, negative peace means the absence of direct violence, and positive peace means the absence of indirect violence. Galtung defines peace not only as the absence of direct violence and decrease in structural and cultural violence, but also as a transformation of conflict, nonviolently and creatively. This definition is the most popular definition in the domain of peace studies and has also been the basis of the most studies in this field. The definition is made based on the concept of violence and Galtung considers peace as the absence of (direct and indirect) violence. This, as a definition, is unduly negative in that it fails to provide any accurate picture of peace or its constituents (karimi & Ahmadipour, 2016: 218).

Geography teaches to have a systematic view. As such, it teaches to explore different relations existing around. Based on a systematic view, there are two relations: the relation between humans and the relation between humans

and nature. Regarding these relations, peace is a legal harmony or concord between the two relations. In other words, if a legal harmony or concord is created between the relations, this is called peace, and the social-collective life situation resulted from this harmony would be peaceful (Karimi & Hafeznia, 2018: 4).

### **3.1.2. Region and Regionalism**

The main prerequisite to form regional system is existence of a region which is distinguished from other regions. The distinguished geographic features affect regional system functions (Hafeznia & Kavianirad, 2004: 75). Regionalism is defined as a political ideology that favors a specific region over a greater area. It usually results due to political separations, religious geography, cultural boundaries, linguistic regions, and managerial divisions. Regionalism emphasizes on developing the administrative power and swaying the available or some inhabitants of a region. Activists of regionalism claim that instituting the governing bodies and civil authorities within an area, at the expense of a national regime, will significantly increase local populations by improving the local economies through the distribution of resources and execution of local policies and strategies.

### **3.1.3. Regional Integration**

Regional integration is the process of overcoming barriers that divide neighboring countries, by common accord, and of jointly managing shared resources and assets. Essentially, it is a process by which groups of countries liberalize trade, creating a common market for goods, people, capital and services. The European Union advocates regional integration as an effective means of achieving prosperity, peace and security (EC, 2019).

### **3.1.4. Development**

Development is “a specified state of growth or advancement; a new and advanced product or idea; an event constituting a new stage in a changing situation.” Perpetual peace paves the way for development and in particular sustainable development. Sustainable development cannot be realized without peace. As such, peace is prerequisite for sustainable development. Three principal aspects of sustainable development are environmental, economic and social sustainability (IISD, 2019).

## **3.2. Theoretical Framework of the Research**

This article is based on liberalist theories which believe in possibility of peace and cooperation in international society. The following section

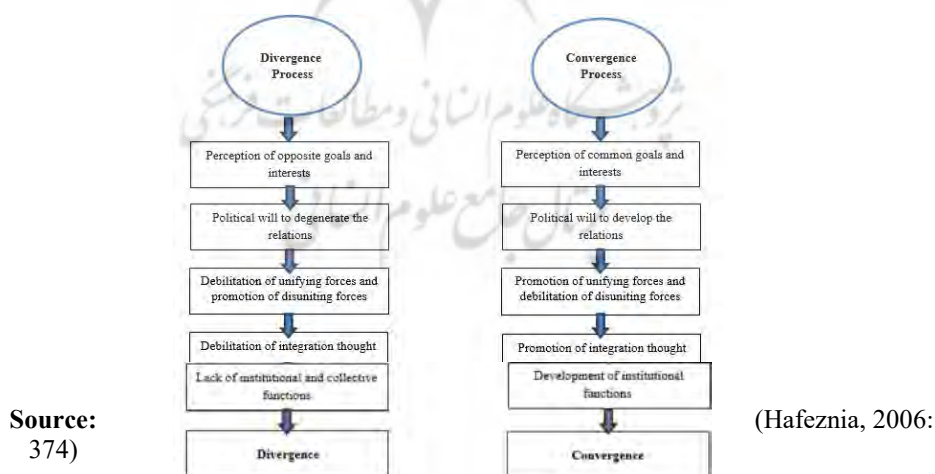
outlines the theoretical toolkit of the article. In fact, the theoretical framework of this article consists of the following elements:

- **Interdependence liberalism:** Liberal theories about interdependence are grounded in ideas about trade and economic relations. The key theme within interdependence liberalism was a belief in the virtues of free trade. Free trade has economic benefits, as it allows each country to specialize in the production of the goods and services that it is best suited to produce, the ones in which they have a 'comparative advantage'. Cobden and Bright argued that free trade would draw people of different races, creeds and languages together in what Cobden described as 'the bonds of eternal peace'. Not only would free trade maintain peace for negative reasons (the fear of being deprived of vital goods), but it would also have positive benefits in ensuring that different peoples are united by shared values and a common commercial culture, and so would have a better understanding of one another. In short, aggression and expansionism are best deterred by the 'spirit of commerce'.
- **Republican liberalism:** Like classical realism, the liberal perspective on international politics adopts an 'inside-out' approach to theorizing. However, unlike realists, liberals believe that the external behavior of a state is crucially influenced by its political and constitutional make-up. This is reflected in a tradition of republican liberalism that can be traced back to Woodrow Wilson. While autocratic or authoritarian states are seen to be inherently militaristic and aggressive, democratic states are viewed as naturally peaceful, especially in their dealings with other democratic states.
- **Liberal institutionalism:** The chief 'external' mechanism that liberals believe is needed to constrain the ambitions of sovereign states are international organizations. This reflects the ideas of what is called liberal institutionalism. Institutions thus come into existence as mediators, to facilitate cooperation among states on matters of common interest. Whereas neo-realists argue that such cooperation is always difficult and prone to break down because of the emphasis by states on 'relative' gains, neoliberals assert that states are more concerned with absolute gains (Heywood, 2011: 61-7).
- **Divergence and Convergence:** Divergence and convergence are the

two opposite behaviors in the states relations. Convergence is approaching of different actors to a common point as a common goal, and divergence is distancing of people from common goals and taking different goals. The final stage of convergence is integration and the final stage of divergence is disintegration (Hafeznia, 2006: 373). The result of integration is peace and the result of disintegration is conflict and war (Karimi, 2017: 43). Figure 1 show divergence and convergence processes.

- **Human-Centered Geopolitics:** Peace is at the focal point of Humane- Centered Geopolitics which does not support war, violence and crisis building, but it is in favor of providing strategies to settle the crises, violence, inequality and war. Humane- Centered Geopolitics proposes peaceful relations among nations and states and supports sustainable development and preserving environment. Humane- Centered Geopolitics does not cooperate with political actors who because people suffer from inequality, injustice and tyranny (Hafeznia, 2007: 2-3).

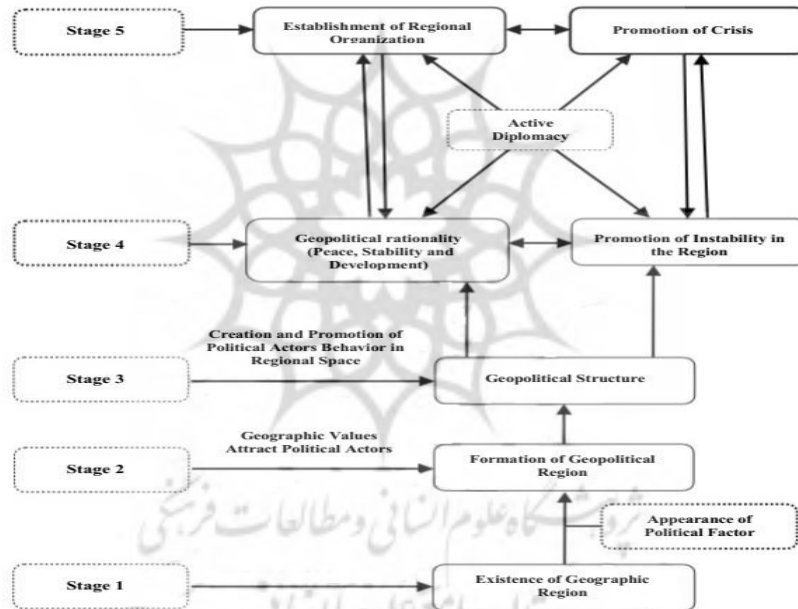
**Figure 1. Divergence and convergence processes**



- **Geopolitical Region Evolution:** If structural and functional elements of a regional system find a political role, the geographic

region is changed to a geopolitical region. In a geopolitical region, human and physical factors have political functions and cause different patterns of behavior like cooperation, rivalry and conflict. Geopolitical region is changed to geopolitical structure in its evolution. In this situation, regional and non-regional political actors are activated and divergence, convergence, conflict, cooperation and rivalry are developed. If these actors settle the disputes, integration is formed and a regional organization is established (Hafeznia, 2006: 111).

Figure 2. The Formation and Evolution of Geopolitical Region



Source: (Hafeznia, 2010: 4)

#### 4. Historical Background

During the 19th century, at the time of the formation of nation States, numerous attempts were made to form a large, strong Latin American nation, all of which failed as a result of internal tension and differences. The first foundation for a free trade zone was laid in recent history in 1960 in the Montevideo Convention. The Latin American free trade zone<sup>1</sup> was

1. LAFTA in English, ALALC in Spanish

developed into a zone comprising 10 South American countries and Mexico. LAFTA did not prove to be very successful. Negotiations soon foundered over the harmonization of customs tariffs. The arbitration scheme for conflict resolution lacked the strength needed to withstand the political differences between the States parties. In addition, the countries in the economic middle bracket and below feared the economic trade domination of Argentina, Brazil, and Mexico. Against this background the Pacto Andino was created, by which Bolivia, Chile, Colombia, Ecuador, and Peru transferred certain powers to a common supranational structure under the 1969 Cartagena de Indias Agreement. For the most part, the Comunidad Andina was a copy of the EC, both institutionally and substantively. Even the structure and powers of the European Court of Justice were copied, including the power to refer matters for a preliminary ruling. However, the States parties were not prepared to accept the binding effect of Andino law. This meant that every individual decision had to be ratified and transposed into national law and could only become binding after ratification by all States parties. This process of incorporation led to frustration among the partners and Chile's withdrawal in 1976 was the deathblow. Interest in the free trade zone was revived and LAFTA was transformed into the Latin American Association for Integration (LAIA) (Vervaele, 2005: 389-390). During the second half of the 1980s, negotiations started between Brazil and Argentina, the two major players on the continent, concerning regional community integration. It was intended to deepen further the integration process starting from LAIA. The negotiations resulted in the 1991 Treaty of Asuncion. The economically highly dependent countries of Uruguay and Paraguay also acceded. During the course of the 1990s Bolivia and Chile became associated members based on an agreement concerning the free trade zone with MERCOSUR. MERCOSUR is based on an international treaty establishing intergovernmental institutions and laying down objectives which all sound quite familiar: the realization of a customs union and a common market, linked to the four freedoms. It also has common policy areas and the accompanying harmonisation. As such it is an intergovernmental structure with a community integration project in mind; in short, quite definitely not limited to a free trade association (Ibid, 390). Article 1 Treaty of Asuncion (1991) provided for a transitional period until the end of 1994 for the realization of a common market. The common



market comprises the customs union, the four freedoms, and the coordination of policy in the field of agriculture, fiscal and monetary matters, foreign trade, etc. In addition, Article 1 expressly provides for the necessary harmonization of the legislation of the States parties. It soon became apparent that the agreed time frame, namely the period between 1991 and 1994, was much too short to be able to achieve these goals. The elimination of the internal trade barriers for the purpose of the customs union and the realization of a common external customs tariff proved much more difficult than expected. In 1993 MERCOSUR decided to abandon the date, without however abandoning the actual goal of creating the customs union and the common market.

The common market activities started from 1<sup>st</sup> of January 1995 with tariff cut related to 85% of intraregional trade. Tariff cut on some special goods were admitted and Brazil and Argentina had 4 years to accept and take this process (Abdollahi, 2011, 88). Based on the estimates, intraregional trade among MERCOSUR members were experienced threefold increase, and reached to 20 billion dollars in 1997. Also, the residents of members states emphasized on free trade as an “emergency permanent goal”. To do so, they agreed on characterizing norms of MERCOSUR customs rules, codifying the regulations and promoting communication among national computer systems. Agriculture, industry, energy, telecommunication, transportation, tourism and financial sectors were among the agreed sectors. On 1996, guarantee of democracy were approved which non-democracies are not allowed to be member in MERCOSUR. On 1998, also MERCOSUR member states along with Paraguay, Argentina and Brazil signed a common security treaty related to border areas. This treaty aimed at confront with drug smuggling, money flow and other illegal activities in the region (Morgenthau, 2001: 67).

Beside of economic integration, common foreign policy is the other areas of interest of MERCOSUR member states. The member states have tried to take independent foreign policy in international politics. In this relation, the most important factors of the member states foreign policy are as follows:

- Try to have independent role in regional policy making and to be free from infra-regional actor's pressures;
- Try to have effective role in regional and international scales;
- Promotion of friendly relation with non-regional states;

- Promotion of regional integration in political and economic facets (Bruckmann, 2010: 124-9).

Control of violence and instability is the other area of interest of member states. Interstate and intrastate violence are among the main concerns of member states, and they have given more attention to security issues and control of violence (Bresser, 1999: 67-8). Meanwhile, “treaty of Tlatelolco” or “Treaty for the Prohibition of Nuclear Weapons in Latin America and the Caribbean” which was signed in 1967 and entered into force in 2002 by joining Cuba, that is one of the most important and comprehensive treaties in the domain of “regions free from nuclear weapons” in Latin America.

## **5. The Research Findings**

### **5.1. MERCOSUR and Peace Building**

MERCOSUR is the closest model of inter-democratic peace thus far achieved in South America. Despite its institutional failings and political shortcomings, MERCOSUR set out to be an initiative that encouraged a sense of community in the process of democratization; a revision of the defence policies of its member states; and, a strong commitment to create foreign policies in line with its strategic regional interests.

MERCOSUR role in peace building can be investigated in following sections:

- 1. Democratization:** the integration process of the Southern Cone of Latin America developed in parallel to the re-democratization processes of its Member States. The first democratic elections in Argentina were held in 1983, Brazil and Uruguay first held them in 1985 and Paraguay in 1989. Applying our criteria, MERCOSUR can be said to have a democratic identity of intermediate strength. Member States’ records have been positive and improving from ‘partly free’ to ‘free’, with the exception of Paraguay. Democratic principles and values have been progressively institutionalized by means of the Declaration of the Democratic Agreement (1996) and the Protocol of Ushuaia (1998). The latter provides for a procedure to suspend the rights to participate in MERCOSUR institutions of any Member State in which democratic order has broken down. Since its inception, two major political crises threatening domestic democracy have taken place within the MERCOSUR states, both concerning Paraguay, in 1996 and 1999. Both crises refer to military coups,

which are considered a clear-cut violation of democratic principles. MERCOSUR intervened both times, although at the time it did not yet have a formal democratic intervention mechanism. In the first crisis, Although, MERCOSUR did not yet have a formal democratic clause, the presidents of Brazil, Argentina and Uruguay reacted immediately, overtly referring to the regional organization. Diplomatic efforts at the presidential level, mainly by the US and Brazil, both bilaterally and within MERCOSUR and the OAS were pivotal to the resolution of the crisis. In the second crisis, MERCOSUR had approved a democratic clause. Brazilian President Cardoso and Uruguayan Foreign Minister Didier Opertti discussed the option of applying the relevant Protocol of Ushuaia (Vleuten & Hoffmann, 2010:746-750).

2. **Human Rights:** MERCOSUR started to develop a system of human rights governance transfer more than 15 years after its inception. Until the mid-2000s, MERCOSUR had no agenda for human rights; only a few non-binding documents referred to specific human rights, such as the Presidential Declaration on the Zone of Peace (1996) and the Socio-Laboural Declaration (1998). That has changed in the last decade, as MERCOSUR has introduced binding and precise norms such as the Protocol of Human Rights (2005), established bodies which have created programs and instruments to protect and promote a broad range of human rights, and fostered dialogue with civil society, such as the MERCOSUR Meeting of High-level Authorities on Human Rights (2004) and the MERCOSUR Human Rights Public Policy Institute (2009). MERCOSUR has developed a normative framework and created instruments regarding first, second, and third-generation human rights. The normative framework includes the civil rights of free access to justice and rights of women; the social rights of social security and health; the economic rights, such as a right to work; the cultural rights of education and cultural life; and the collective rights of environment and cultural heritage, including the Guarani language (Hoffmann, 2015: 192-3).
3. **Promotion of Security:** Guedes de Oliveira put that the historical background and context is important in order to understand regional integration. He also considers security as an explanatory factor for

regional integration, but focuses on infrastructure instead of market failure as a second factor. For Guedes de Oliveira, the first driver behind MERCOSUR was security (Lombaerde, Mattheis & Vanfraechem, 2010: 169).

MERCOSUR always meant more than economic integration. Its inception, in the mid-1980s, driven by the normalization of relations between Argentina and Brazil, was motivated primarily by the need to build support and legitimacy for these fledgling democratic governments and to reduce security tensions. Bilateral accords and cooperative projects covered a range of issues beyond economics. This rapprochement defused the Brazilian-Argentine strategic rivalry, which included the potential for nuclear arms, and led to a series of bilateral and regional confidence building measures. Later, these cooperative security relations would expand to include Chile as well (Tulchin & Espach, 2002: 2). Monica Hirst (2002) put that MERCOSUR has created a foundation for the deepening and expansion of a “pluralistic security community” of countries which increasingly share political and economic objectives, security operations, institutional norms, and social values.

4. **Drug Eradication:** In 2000, MERCOSUR also commented briefly on the fight against racism; drug abuse, drug trafficking and related crimes. It also undertook to collaborate on the nominations of candidates for key positions in international organizations, in order to achieve a stronger presence in the international environment. Drug abuse and trafficking have been one of the main important security concerns of the member states and this issue has been focused in different MERCOSUR summits from 2000. MERCOSUR approach on this issue is support for a comprehensive approach under the principle of common and shared responsibility (regional and global), with respect for international law (Desiderá Neto, 2016: 612).
5. **A Zone Of Peace:** On July 24, 1999, the governments of the Argentine Republic, the Republic of Bolivia, the Federative Republic of Brazil, the Republic of Chile, the Republic of Paraguay, and the Eastern Republic of Uruguay CONVINCED that peace is the main desire of our peoples, the basis for the development of humanity, and an essential condition for the present and future existence of MERCOSUR, RATIFYING their commitment to the purposes and

principles of the Charter of the United Nations and the Charter of the Organization of American States, STRESSING that the Parties have adopted different measures to encourage a joint response to the threat of weapons proliferation, thus contributing to the strengthening of the perception of a region united by cooperation and free of the risks of an arms race, which would be unjustified in our context of integration, REITERATING their full support for the Treaty for the Prohibition of Nuclear Weapons in Latin America and the Caribbean (Treaty of Tlatelolco) and expressing their satisfaction with the full entry into force of this instrument of nonproliferation in their territories, REAFFIRMING the full effectiveness of the 1991 Commitment of Mendoza for the Total Prohibition of Chemical and Biological Weapons, and RECALLING that MERCOSUR is a process that is open to other states in the region that share the above-mentioned principles, AGREE TO:

1. DECLARE MERCOSUR, Bolivia and Chile a zone of peace, free of weapons of mass destruction.
2. STATE that peace is essential to the continuation and development of the MERCOSUR integration process.
3. STRENGTHEN existing consultation and cooperation mechanisms on security and defense issues among its members, promote their progressive coordination, and make progress on cooperation in the sphere of confidence- and security-building measures and promote their implementation.
4. SUPPORT in the pertinent international fora the full force and improvement of instruments and mechanisms for the non-proliferation of nuclear weapons and other weapons of mass destruction.
5. CARRY OUT joint efforts in pertinent international fora to move forward, within the framework of a gradual and systematic process, with strengthening international agreements aimed at achieving the objective of nuclear disarmament and all aspects of non-proliferation.
6. MAKE PROGRESS towards establishing MERCOSUR, Bolivia y Chile as an antipersonnel-land-mine-free zone and endeavor to spread this to include the entire Western Hemisphere.

7. REAFFIRM their commitment to broadening and systematizing the information they provide to the UN Register of Conventional Arms and establish a uniform methodology for reporting military expenditure, with a view to increasing transparency and developing confidence in this area.
8. SUPPORT the work of the Committee on Hemispheric Security of the Organization of American States, in particular with regard to the mandate given to the Committee through the Plan of Action of the Second Summit of the Americas.
9. PROMOTE cooperation among their members for exclusively peaceful and safe use of nuclear energy, science, and space technology.
10. TRANSMIT THIS Declaration to the Secretaries General of the United Nations and the Organization of American States and request that they circulate it as an official document of those Organizations (Permanent Council of the Organization of American States, 2019, cited in: <https://www.oas.org/csh/english/doccc&tMERCOSUR .asp>).

## **5.2. Economic Development in MERCOSUR**

On 26 March 1991, the foreign ministers of Argentina, Brazil, Paraguay and Uruguay signed the Treaty of Asuncion, which called for the creation of a common market by December 1994. The treaty listed four instruments for forming the common market: trade liberalization program, common external tariff; the coordination of macroeconomic policy; and the adoption of sectoral agreements. The institutional structure consisted of two major intergovernmental organs where decisions are made by consensus. The Common Market Council (CMC) is composed of ministers of foreign affairs and economy; it is the highest-ranking body, responsible for political direction. The Common Market Group (GMC) was the implementing organ coordinated by the ministers and made up of representatives of para-state organizations. The treaty also provided for a gradual elimination of import tariffs ending in December 1994 (Kaltenthaler & Mora, 2002, p. 75-6).

MERCOSUR has been experienced a substantial increase in intra-regional trade. Between 1991 and 1999, intra-regional trade increased from 8.9% to almost 25%, from 11 billion US dollars to over 20 billion US dollars. The doubling of these figures within the initial years of MERCOSUR's creation emphasizes the remarkable increase in economic interdependence (Campos,

2016, p. 863). Intra-regional trade grew mainly as a result of the outstanding reductions in tariff protections and non-tariff barriers to trade. These measures were vital in decreasing the cost of trade between MERCOSUR members. Table 1 shows intra-regional trade during the years 2016-2018. As it is obvious, trade between MERCOSUR members (import and export) has been increased which shows more economic integration and also interdependence. Also, MERCOSUR’s member states share in international trade has been increased during the covered years.

**Table 1. Bilateral trade between Common Market of the South (MERCOSUR) and Common Market of the South (MERCOSUR)**

Common Market of the South (MERCOSUR )'s imports from Common Market of the South (MERCOSUR ) <sup>1</sup>			Common Market of the South (MERCOSUR )'s exports to world <sup>1</sup>			Common Market of the South (MERCOSUR )'s imports from world <sup>1</sup>			Common Market of the South (MERCOSUR )'s exports to Common Market of the South (MERCOSUR ) <sup>2</sup>		
Value in 2016	Value in 2017	Value in 2018	Value in 2016	Value in 2017	Value in 2018	Value in 2016	Value in 2017	Value in 2018	Value in 2016	Value in 2017	Value in 2018
35,138,883	39,563,905	44,794,648	287,841,408	324,729,032	351,161,013	226,583,392	248,558,047	279,606,000	37,780,144	41,410,772	38,028,327

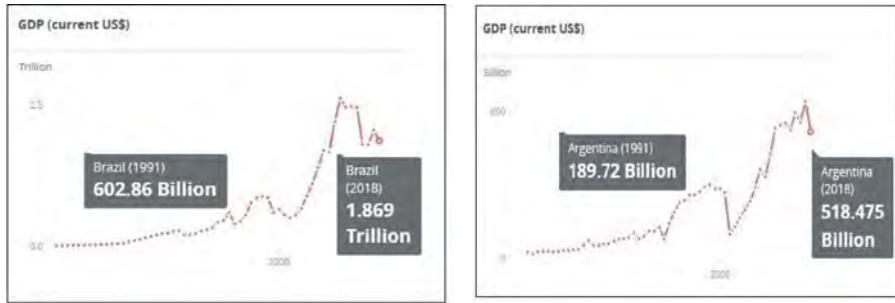
<sup>1</sup>Source: ITC, 2018<sup>a</sup>

<sup>2</sup>Source: ITC, 2018<sup>b</sup>

Intra-regional trade has increased more than fivefold since the early 1980s, contributing to the economic growth and stability required by national programs of political and economic reform. This economic growth -nurtured by an international environment favorable to investment in so-called emerging markets- helped to strengthen these democratic governments and to enhance their international legitimacy as political partners and important markets, especially relative to the rest of South America.

It seems possible that the integration-led tariff reductions are considerably central to economic growth in this region. MERCOSUR ’s greatest merit has been that it has promoted and consolidated a new paradigm for economic development in the Southern Cone and Latin America in general, which is more in line with the present international economic order. During the first half of the 1990s, positive rates of economic growth, intra-regional trade, and foreign direct investment were registered in all of the economies of member countries. Crucial advances have also been made in the processes of stabilization and liberalization. Figures 2, 3, 4 and 5 show Brazil, Argentina, Uruguay and Paraguay’s GDP trend from 1962 to 2018, respectively.

**Figure 3. Brazil& Argentina GDP Trend from 1991 to 2018**



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source: <https://data.worldbank.org/country/Brazil&Argentina>

Figure 4. Uruguay & Paraguay GDP Trend from 1991 to 2018



Source:

<https://data.worldbank.org/country/Uruguay&Paraguay>

The member states GDP trend during 1991 to 2018 show that Brazil GDP has increased from 602.86 Billion\$ to 1.869 Billion\$, Argentina GDP has increased from 189.72 Billion\$ to 518.475 Billion\$ at the same time, Uruguay GDP has increased from 11.206 Billion\$ to 59.597 Billion\$ at the same time, and Paraguay GDP has increased from 6.984 Billion\$ to 40.842 Billion\$ at the same time.

Also, HDI trends show a promotion in all of the Human Development Indices for Brazil, Argentina, Paraguay and Uruguay during the years 1990-2017. Tables 2, 3, 4 and 5 show the member states HDI trends based on consistent time series data and new goalposts. Also, figures 6, 7, 8, and 9 show the member states HDI component indices 1990-2017.

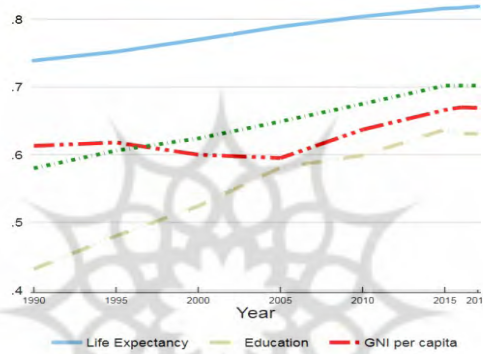


**Table 2. Paraguay's HDI trends based on consistent time series data and new goalposts**

	Life expectancy at birth	Expected years of schooling	Mean years of schooling	GNI per capita (2011 PPP\$)	HDI value
1990	68.0	8.6	5.8	5,784	0.580
1995	68.9	9.9	6.1	5,967	0.606
2000	70.1	11.8	5.9	5,313	0.624
2005	71.3	12.1	7.3	5,131	0.649
2010	72.3	12.3	7.7	6,780	0.675
2015	73.0	12.7	8.5	8,192	0.702
2016	73.1	12.7	8.4	8,424	0.702
2017	73.2	12.7	8.4	8,380	0.702

Source: UNDP Report for Paraguay, 2018: 2

**Figure 5. Trends in Paraguay's HDI component indices 1990-2017**



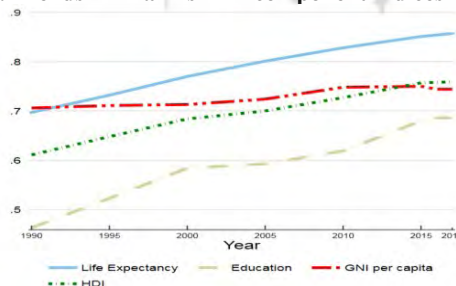
Source: UNDP Report for Paraguay, 2018: 2

**Table 3. Brazil's HDI trends based on consistent time series data and new goalposts**

	Life expectancy at birth	Expected years of schooling	Mean years of schooling	GNI per capita (2011 PPP\$)	HDI value
1990	65.3	12.2	3.8	10,697	0.611
1995	67.6	13.3	4.6	11,097	0.648
2000	70.1	14.3	5.6	11,197	0.684
2005	72.0	13.8	6.3	12,041	0.700
2010	73.8	14.0	6.9	14,112	0.727
2015	75.3	15.4	7.6	14,350	0.757
2016	75.5	15.4	7.8	13,730	0.758
2017	75.7	15.4	7.8	13,755	0.759

Source: UNDP Report for Brazil, 2018: 2

**Figure 6. Trends in Brazil's HDI component indices 1990-2017**



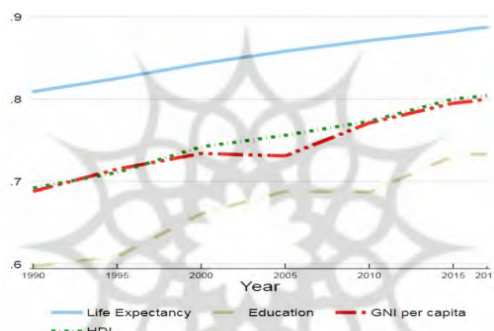
Source: UNDP Report for Brazil, 2018: 2

**Table 4. Uruguay’s HDI trends based on consistent time series data and new goalposts**

	Life expectancy at birth	Expected years of schooling	Mean years of schooling	GNI per capita (2011 PPP\$)	HDI value
1990	72.6	12.9	7.2	9,497	0.692
1995	73.6	13.1	7.4	11,336	0.711
2000	74.8	14.2	8.0	12,858	0.742
2005	75.8	15.2	8.0	12,624	0.756
2010	76.6	14.7	8.4	16,447	0.773
2015	77.3	15.9	8.7	19,278	0.800
2016	77.5	15.9	8.7	19,502	0.802
2017	77.6	15.9	8.7	19,930	0.804

Source: UNDP Report for Uruguay, 2018: 2

**Figure 7. Trends in Uruguay’s HDI component indices 1990-2017**



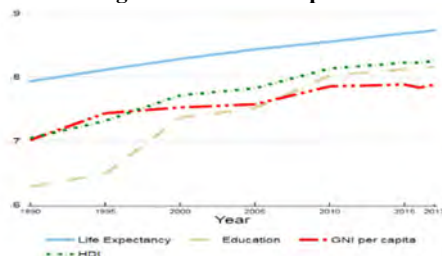
Source: UNDP Report for Uruguay, 2018: 2

**Table 5. Argentina’s HDI trends based on consistent time series data and new goalposts**

	Life expectancy at birth	Expected years of schooling	Mean years of schooling	GNI per capita (2011 PPP\$)	HDI value
1990	71.6	13.2	7.9	10,376	0.704
1995	72.7	13.3	8.3	13,675	0.731
2000	73.8	15.6	9.1	14,538	0.771
2005	74.8	16.1	9.1	14,963	0.782
2010	75.6	17.1	9.8	18,083	0.813
2015	76.4	17.4	9.9	18,437	0.822
2016	76.6	17.4	9.9	17,857	0.822
2017	76.7	17.4	9.9	18,461	0.825

Source: UNDP Report for Argentina, 2018: 2

**Figure 8. Trends in Argentina’s HDI component indices 1990-2017**



Source: UNDP Report for Argentina, 2018: 2

## **6. Research Analysis and Concluding remarks**

The assessment of MERCOSUR's trajectory over the past years and its current status requires considering its primary political and economic objectives and the extent to which they have been accomplished. MERCOSUR expresses, in its origins and nature, the high political and strategic value its members have assigned to economic regionalism in the context of a changing international system and globalized world economy.

From a broader perspective, MERCOSUR represents a political response to a three-fold challenge that the countries of the Southern Cone have faced from the mid-1980s until the present. First, consolidation of strategic and political stability has been achieved with the restoration of democracy and the final dismantling of sources of antagonism in the region. In this sense, MERCOSUR has certainly been a valuable instrument for the promotion of political stability under democratic rules and institutions. Second, both economic development, under the aegis of open economies, and the international competitiveness of domestic markets have been promoted through the expansion of trade, the attraction of foreign direct investment, and the incorporation of new technologies. Third, there have been improvements in the international political and economic capabilities of its member countries for the sake of establishing functional international ties and negotiating the terms of their insertion into the world economy on relatively more equitable ground vis-à-vis their main economic partners.

Indeed, MERCOSUR represents a successful initiative with regards to the original motivations and interests that presided at its creation, and in relation to the subsequent challenges it faced (especially in the second phase of its existence). This is despite the many risks and hindrances that are still evident, notably in political, institutional, and normative terms, as well as in several key areas of trade.

As for its main political objectives, MERCOSUR has actually been able to preclude conflict between the two most relevant strategic players in South America. It has engendered closer interactions with other regional actors and has become an authentic, pluralistic community. Moreover, it has effectively helped prevent political and institutional disruptions in Paraguay more than once. At the same time, it has assumed a higher ranking in the parliamentary agendas of the four member countries, contributing to the increased levels of attention paid to MERCOSUR by political parties,

congressmen, the media, and public opinion on foreign policy, international economic issues, and their links with domestic concerns.

Economic integration has indeed become one of the most privileged areas for uniting domestic issues with trade and foreign policies. In this sense, it has brought about closer interaction between policy makers and other political, economic, and social actors. It has engendered political commitments and cooperation in areas other than pure economics (e.g. education, culture, justice, environment, and tourism). Moreover, it has fostered some significant initiatives at the societal level, contributing to a more intense interaction and greater knowledge among societies in the region. Finally, it has been a useful and important means for enhancing the external negotiating capabilities of its member countries.

These factors certainly contribute to a positive assessment of MERCOSUR's political gains, but they should not overshadow some important risks that still persist in this realm, notably its limited and indirect impact on social schisms. Actually, despite its positive political and economic achievements, MERCOSUR has not had a meaningful impact on some of the most critical threats to democracy in the region: economic and social inequalities, exclusion, and the host of problems that have arisen from them. These include social and institutional disruptions, organized crime, drug trafficking, and urban violence, among others. The bloc's performance in this regard is still extremely modest. After a decade, we can identify both positive and negative results of MERCOSUR's development. It has been a very successful initiative in some aspects. In particular:

- 1) Trade indicators show an increase in annual intra-regional exports. This result was three times higher than the exports destined for the rest of the world. There is a growing connection that can be observed between the expansion of foreign direct investment and intra-regional trade.
- 2) In a short period of time, MERCOSUR acquired notable international visibility through the construction of agendas that were both positive and negative. The negotiations with the EU, with other regional associations in Latin America, and with individual countries are examples of the new positive agendas. It is also worth mentioning the growth in political weight of MERCOSUR in hemispheric negotiations. In fact, since the 1990s MERCOSUR has been the primary example of South-South integration.
- 3) A sense of community is another attribute of MERCOSUR. Since its

launch, MERCOSUR has always been high on the list of the political priorities of its members. For its principal members, MERCOSUR represents a state matter. Over the past years MERCOSUR member countries have had several meetings at the presidential level, channeling unprecedented political energy from Argentina and Brazil. At the same time, the process has become a source of highly valued political capital for the regional and global affairs of its members.

4) MERCOSUR has established a direct link in the Southern Cone between the defense of democracy and regional integration. In addition, MERCOSUR aims to consolidate as a zone for peace.

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