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Author: Alvarez, Mariano

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Summary

In 2001 Argentina entered into a deep economic and institutional crisis, that drew the full attention of the national authorities. Relations with neighbouring Chile were reduced to a minimum and practically no bilateral treaties were signed during that period. However, in that same year, the province of San Juan, Argentina opened a representative office in the Chilean region of Coquimbo. The region of Coquimbo, in turn, started preparations to establish a similar office in San Juan. Although dialogue at the central government level had cooled considerably – greatly reducing the integration momentum of the 1990s – paradiplomacy at the non-central government level continued to strengthen bilateral links.

The increasing importance of issues such as globalization, interdependence and economic crises, both locally and globally, have added a new level of complexity to world politics. In turn, this has increased the number of actors involved, including non-central governments. Because of this additional complexity and the involvement of substate actors, new theoretical approaches were required to study international relations, in order to broaden the scope of analysis. In this regard, the academic study of the phenomenon of paradiplomacy has begun to gain speed. Indeed, it provides a new theoretical perspective, which recognizes that substate entities relate to each other and to other states. However, the involvement of non-central governments in foreign affairs has been resisted by diplomats in daily practice and denied by scholars in international relations approaches. This study finds its place on the opposite side of the debate, sustaining that paradiplomatic practice is already a normalized element and therefore it is necessary to incorporate it more decisively, both in theoretical analyses and in institutional approaches. In addition, the particularities of this new phenomenon cannot be solely studied from traditional theoretical approaches to international relations, nor those used for international or non-governmental organizations. Hence the relevance of the concept of paradiplomacy, which straddles the line between the realm of the state and that of the individuals.

Academic analysis of the paradiplomatic phenomenon in Latin America has been generally focused on the activities of the substate units of a particular country or in their participation in multilateral forums. Insufficient attention has been paid to the contribution paradiplomacy can make to integration between countries. At the same time, most of the studies conducted around the world on the relationship between non-central governments are based on federal or decentralized unitary states. There are not enough comparative analyses of this phenomenon, as proposed in the present study. One reason for this is that the involvement of non-central governments in foreign affairs was originally seen as something specific to federal forms of state. Nevertheless, the

phenomenon has also taken place in unitary countries, and in relations that include both forms of state. This is particularly relevant in the case of Latin America, where relations between non-central governments of countries with different forms of state are increasingly common. As a result, the study of this phenomenon opens up new fields of analysis within existing studies on regional integration. It allows for a direct link between neighbouring substate governments, without having to go through their central governments, all of which boosts the possibilities of strengthening integration.

For this reason, the interaction between the province of a federal country like Argentina and the region of a unitary state like Chile, presents a case study that can fill in the aforementioned theoretical vacuum. In doing so, it sheds light on the potential contribution paradiplomacy can make to the development of new methods of integration between countries. In this regard, the integration process underway between Argentina and Chile is one of the most dynamic and complex in Latin America, since it covers issues regarding energy, mining, defence and infrastructure. In addition, the Maipú Treaty of Integration and Cooperation of 2009 signed by both countries filled the institutional gap that separated them and formalized the substate component. The existing scholarly literature shows a clear tendency to emphasize only the relationship at the state level, but by leaving the substate dimension out of the analysis it is impossible to fully understand the dynamics of the relationship between Argentina and Chile. It is therefore necessary to highlight the contribution that the provinces and regions have had, and still have, in the relationship between the two countries.

Two interdependent questions arise. The first is whether the different forms of state and centralism influence paradiplomatic activity. The second is how Argentina and Chile have inserted non-central governments in the bilateral relationship. Thus, a first specific objective of this study is to provide the theoretical basis for the analysis, discerning which components of paradiplomacy are to be observed, especially the causes, goals and motivations of the activity. The second specific objective seeks to establish whether the institutional and legal context influences the development of paradiplomacy and if so, how? In this respect, the study of the link between Coquimbo and San Juan is of particular relevance, because in Latin America the forms of state and centralism have specificities that have not been sufficiently incorporated in theoretical interpretations of the region. In turn, the third specific objective is to present a historical account of the relationship between Argentina and Chile, highlighting the dual dynamics of that relationship, that is, state and substate entities. The two levels of government have not always walked the same path and that is something that has not been stressed enough in the historiography of both countries, nor in the design of their foreign policies. Inclusion of the paradiplomatic perspective allows for a new approach to this analysis, with particular emphasis on the interests of the provinces and regions. Only with the

background of the theoretical framework, the historical context and the institutional situation, the case study can be fully addressed to analyse how Argentina and Chile have embraced these paradiplomatic initiatives. It also helps to understand how they have contributed to the development of bilateral relations, and the promotion of integration. The latter is the fourth specific objective of the study.

To reject the relevance of paradiplomacy implies the denial of a reality that has been imposed by the will and strength of the substate entities and that central governments have already begun to incorporate. Therefore, this study starts with the identification of analytical tools and a contextualization of the paradiplomatic phenomenon. In doing so, it shows how the contextual constraints of the countries' political configurations, the institutional tools developed by states and the motivations of non-central governments intervene in the possible contribution paradiplomacy can make to the relationship between countries.

The academic debate presented in Chapter 1 shows that paradiplomacy pushed its way into foreign affairs because it had become imperative for non-central governments. However, paradiplomacy has never been intended – at least in Latin America – to replace the role of the state in foreign affairs. In order to observe this in the case study, the motivations and objectives of the activities proved to be the most appropriate approaches for analysis. This allowed for an analysis of the actions of the provinces and regions, while separating paradiplomatic from protodiplomatic initiatives.

As stated in the theory and noted in the case study, the institutional context of the country influences paradiplomacy. In this sense, the external actions of non-central governments may be facilitated or obstructed by the political configuration of the states; this was also observed in the case study. The interaction between Argentina and Chile allows for an analysis of the effect that political configurations have in paradiplomatic activities, since the organization of the two countries differs considerably. Argentine provinces and Chilean regions are empowered in different ways, due not only to their forms of state but also to the countries' centralism. Both dimensions directly affect paradiplomatic actions and how states understand this activity. This study also analyses how the development of bilateral institutions can facilitate activity between units with differences as marked as the Argentine provinces and the Chilean regions. In addition, how paradiplomacy can contribute to the process of bilateral integration is also studied.

In order to achieve this objective, Chapter 2 analyses the historical contextual framework. In doing so, the study reviews the differentiated development of the various levels of government in the interaction between Argentina and Chile. In order to properly understand the complexity of the bilateral relationship, it is necessary to stress the importance of incorporating the substate dimension in the historical analysis. By highlighting the perspective of the border and the substate component in the relationship

between Argentina and Chile it also illustrates the differences between the development of the linkage at the central level and in the border area. Likewise, it shows that although much of the populations of both countries held similar feelings towards their neighbours during the most critical points of each country's respective histories, this does not mean that the countries always acted as an organic whole. The relationship between Argentina and Chile can and must be understood not as a whole but as the sum of its parts. The reason for this is that the substate level has behaved differently than the central level and that both components have influenced each other.

The historical context illustrates that the involvement of the Argentine provinces and Chilean regions in foreign affairs is not new. While traditionally these activities have been overlooked by politicians and academics –like they were in the rest of the world – substate units have always struggled to project themselves internationally. This was done as a response to local interests generally focused on specific economic, social or border motivations, i.e. functional objectives related to the soft core of foreign policy. However, it is in the mid-1990s that the big turn in the historical trend takes place, bringing provinces and regions clearly into the international spotlight. With the return to democracy, new institutional channels for the participation of substate entities were opened. Meanwhile non-central governments became more involved and demanded more space in the foreign policy decision-making process. Also, the Argentine crisis in 2001 gave way to a period in which relations between the two countries cooled and during which the provinces and regions promoted more strongly the recognition of their participation in foreign affairs.

Such an increase in paradiplomatic activity took place inside the political configuration of each country. Therefore, Chapter 3 offers an institutional contextualization of the provinces and regions, according to a Latin American understanding of the forms of state and the centralism prevailing in Argentina and Chile. This provides a clear picture of the paradiplomatic possibilities of the provinces and regions.

The Argentine federal form of state is enshrined in the constitution, according to which the provinces pre-exist the country, have reserved rights, hold the original ownership of natural resources, establish the degree of autonomy of municipalities and produce their own laws and constitutions. There are also certain limitations to federal actions, especially with regard to fiscal matters. All this greatly influences the possible paradiplomatic actions of the non-central governments. At the same time, the provinces in Argentina have been favoured by the decentralization process, which resulted in a steady transfer of administrative functions from the federal government to the provinces. This expanded the role of the provincial governors with regard to policies related to quality of life, which are currently almost entirely under the aegis of the provinces. However, this new role also brought paradiplomatic motivations, because in an

increasingly interdependent world, the provinces need to engage in foreign affairs to properly address their responsibilities.

In Chile, the unitary system was consolidated early in the country's history. With it, the original provinces were denaturalized and a country was built where internal political boundaries were erased and mere administrative divisions were drawn, generating and accumulating functions in a single level of government. The result was an excess of political concentration that in the mid-1960s prompted the necessity for a regionalization process, that was later consolidated by the military government. Nevertheless, what really took place in Chile was a deconcentration process, while maintaining a political unit that did not allow for the development of the regions. In addition, while the vast majority of ministries and national offices established branches in the regions, this was not a true operational decentralization since regional ministerial secretariats (SEREMIs) continue to respond to the directives of the central ministries. This was even more severe in the case of the Ministry of Foreign Affairs, which did not establish branches in the regions, instead keeping everything concentrated in the Chilean capital.

While it has been said that the non-central governments of both countries became decidedly involved in paradiplomatic activities, only the Argentine provinces have the constitutional powers to do so and the institutions to support the process. The regions of Chile faced serious difficulties in carrying out activities in foreign affairs. On the one hand, the mayors of the regions were denied their requests to travel abroad several times. On the other hand, the regions do not possess the economic resources to undertake infrastructure projects. This highlights that, although the institutional frameworks of both countries do not determine the involvement of non-central governments in foreign affairs, they do condition it.

However, while the Argentine provinces are constitutionally empowered to act and undertake legal obligations in foreign affairs and Chilean regions lack this power, which is exclusively for the president, both have been involved in paradiplomatic activities. This involvement has not come because of opposition to the state, as has been proposed in the original literature on paradiplomacy, nor because of the apathy of the central government, as was proposed subsequently. The governments of Argentina and Chile acknowledged the phenomenon and arranged an institutional framework to accompany it. What finally facilitated the development of paradiplomacy in both countries, as can be drawn from the analysis of the case study, was the institutional framework created at the bilateral level. Through formal treaties signed by both presidents, a permanent dimension was added to the ad hoc paradiplomatic activities.

As a concrete example of the theoretical, historical and institutional analysis, Chapter 4 studies the relationship between Coquimbo and San Juan, focusing on two paradiplomatic activities in particular: the summer pastures in the high valleys of

Calingasta and the Agua Negra international tunnel. The Argentine province became involved based on its constitutional prerogatives and powers, but the Chilean region was limited in this respect. As a result of that, institutional spaces that the central governments had originally designed for other purposes began to be appropriated by the substate level. Border committees were transformed into forums of economic, cultural, sports and even political exchange; in 2006 they changed their names to integration committees and were incorporated as the largest component of the Maipú Treaty of Integration and Cooperation in 2009. Finally, new regulations for the integration committees were given in 2011, reinforcing their characteristics as paradiplomatic forums, although under some control of the ministries of foreign affairs.

The Maipú Treaty also favoured the creation of binational entities. While these originally replicated the forms of state, limiting paradiplomacy by excluding the Chilean regions from their meetings, the trend has begun to reverse, especially in the case of the *Entidad Binacional Túnel Internacional Paso de Agua Negra* (EBITAN). Also under the auspices of the Maipú Treaty, the *Reunión de Intendentes Chilenos y Gobernadores Argentinos de la Frontera Común*, was established in 2011, in what represents a new opportunity for provinces and regions to raise their interests in bilateral issues.

The generation of spaces for non-central governments to pursue their interests in foreign affairs, both from an institutional and a formal perspective, does not mean that ad hoc activities stopped. However, through the generation of these permanent channels, the acceptance of paradiplomatic activities and their validation by the states, two problems are solved simultaneously. First, the ability of the provinces and regions to find local solutions to problems affecting the border area and to propose ways of integration is recognized. Second, it manages to keep some supervision over the development of paradiplomatic activity, as the involvement of central agencies is also defined in the institutions. Before those positions that see the involvement of paradiplomacy as a zero-sum game with the country's foreign policy, it is argued that the incorporation of the activity as a new component of bilateral relations, rather than diminishing foreign policy, enriches the integration process.

In the particular case of Coquimbo and San Juan, their paradiplomacy was clearly in the service of integration between Argentina and Chile, even though the central governments did not always perceive it that way. The summer pastures in the high valleys of Calingasta and the Agua Negra international tunnel elevated issues related to integration, which could have easily been overlooked, to the central level. The low economic relevance of the summer pastures and the financial retribution that would take a long time to materialize in the case of the international tunnel, failed to arouse the interest of the central authorities or the national press in each country. Also, summer pastures were prohibited by national legislation in Chile and the prohibition was enforced

by a highly technical and centralized institution known as the Agriculture and Livestock Service (SAG) of Chile. The main reason for the advancement of both initiatives is the paradiplomatic activity of Coquimbo and San Juan.

The connection between the province and the region developed in this manner thanks to the aforementioned motives, as well as the openness and flexibility of the states. The non-central governments sought functional objectives, which did not contravene the country's foreign policy and were understood to have positive effects on the bilateral relationship. Coquimbo and San Juan are moved by economic, social, cultural and border motivations that never touched the core of the foreign policy of their countries. In this regard, paradiplomacy, especially in Chile, was used to show the central government the international weight of the region's interests.

The case study emphasizes that along with accepting the existence of the phenomenon, its potential should also be recognized, in discourse, in institutions and in practice. Leaving the non-central governments to their fate leads, first to the risk of not knowing what their actions in foreign affairs are and second, makes their efforts more complex since they have to open their own channels and establish their own contacts. But more importantly, in doing so valuable information and insights that the non-central governments have shown to be able to contribute to the foreign policies of their respective countries would be lost. The institutionalization of paradiplomacy, understood as the establishment of permanent channels and the guidance and support to ad hoc activities of non-central governments, should be an objective of relevance for both the states in general and the ministries of foreign affairs, in particular. The study finds that the best way to promote the positive effects of paradiplomacy is for the states to have a more flexible approach to it and to develop institutions that serve as legal and legitimizing umbrellas. The integration committees and the binational entities offered the provinces and regions the opportunity to discuss specific issues and to participate in the decision-making process on matters that eventually contributed to the integration process.

In short, Coquimbo and San Juan boosted integration initiatives that improved the relationship between Argentina and Chile. This relationship presents itself as clear evidence that with an appropriate adjustment of the central and bilateral institutions, paradiplomatic activities house great potential for integration. It also shows how the relationship between states and non-central governments does not necessarily represent a zero-sum game.

