GIGA Working Papers

German Institute of Global and Area Studies
Leibniz-Institut für Globale und Regionale Studien

GIGA Research Programme:
Power, Norms and Governance in International Relations

Drivers of Strategic Contestation in South America

Daniel Flemes and Leslie Wehner

No 207 **October 2012**

GIGA Working Papers **207/2012**

Edited by the
GIGA German Institute of Global and Area Studies
Leibniz-Institut für Globale und Regionale Studien

GIGA Research Programme "Power, Norms and Governance in International Relations"

WP Coordination and English-language Copy Editing: Melissa Nelson
Editorial Assistance and Production: Silvia Bücke

All GIGA Working Papers are available online and free of charge on the website <www.giga-hamburg.de/workingpapers>.

For any requests please contact:

E-mail: <workingpapers@giga-hamburg.de>

GIGA German Institute of Global and Area Studies

Leibniz-Institut für Globale und Regionale Studien

Neuer Jungfernstieg 21

20354 Hamburg

Germany
E-mail: <info@giga-hamburg.de>

Website: <www.giga-hamburg.de>

Drivers of Strategic Contestation in South America

Abstract

The politics of contestation on the part of secondary regional powers such as Argentina, Chile, Colombia and Venezuela towards Brazil as the regional leader oscillate between competition and cooperation, inasmuch as the South American region has one regional power and is a zone of negative peace without aggressive rivalries. The secondary powers use different tactics, which constitute their respective foreign policy strategies, to soft balance Brazil. These tactics include alliance building, entangling diplomacy, binding, and omni-enmeshment. This paper identifies, first, the specific drivers of contestation towards Brazil and, second, why the secondary powers' foreign policy strategies vary in how they directly or indirectly contest the rise of Brazil at the regional and international levels. The paper demonstrates that in a regional order such as that of South America, which is characterized by relative stability, domestic drivers of contestation are key to explaining secondary powers' varied strategic responses to the regional power.

Keywords: secondary powers, regional powers, politics of contestation, foreign policy strategies, Brazil, Argentina, Colombia, Chile, Venezuela

Dr. Daniel Flemes
is a political scientist and a Schumpeter Fellow of the Volkswagen Foundation at the GIGA German Institute of Global and Area Studies.
Contact: <daniel.flemes@giga-hamburg.de>
Website: <http://staff.en.giga-hamburg.de/flemes>

Dr. Leslie Wehner
is a political scientist and a research fellow at the GIGA Institute of Latin America Studies.
Contact: <leslie.wehner@giga-hamburg.de>
Website: <http://staff.en.giga-hamburg.de/wehner>

Drivers of Strategic Contestation in South America

Daniel Flemes and Leslie Wehner

Article Outline

1 Introduction
2 Comparative Framework: Causes of Contestation in International Relations
3 The Strategies of South American Powers: Domestically Driven?
4 Conclusion

1 Introduction

Secondary regional powers can respond to the regional power's leadership claim by utilizing conflictive, competitive or cooperative strategies.[1] Besides total passivity, relative contestation is the most likely strategic response to regional hegemony, because no state perceives of itself as a pure follower of another state. The umbrella term "contestational politics" represents a broad spectrum of foreign policy instruments for restraining the rise of regional hegemonic powers. The existence of different instruments to contest implies that states with similar capabilities and structural positions in a hierarchy use different means to interact with the same superior counterpart. Thus we ask: why do the strategic responses of secondary regional powers to the regional hegemon Brazil vary?

1 We thank Mariana Carpes, Eduardo Pastrana, Carlos Romero, Roberto Russell, Juan Gabriel Tokatlian, and the participants of the IPSA/ECPR conference in Sao Paulo (February 2011) as well as the members of the GIGA research team on foreign policy strategies for their helpful comments. We are also grateful to the Volkswagen Foundation for its generous support of the "Contested Leadership in International Relations" research project.

This work explores the competitive and cooperative end of the continuum between hard balancing and bandwagoning that interactions between the regional power and secondary regional powers produce (cf. Waltz 1979; Schweller 1994). It also aims to unpack the motives and dynamics that drive the strategic responses of Argentina, Chile, Colombia and Venezuela as key to explaining the variance in these countries' soft-balancing behavior towards Brazil. These countries are secondary powers, defined as the second most powerful states in the regional hierarchy, whose position is determined by their relative material and/or ideational capabilities (Cooper et al. 1991; Flemes and Wojczewski 2011; Ebert et al. 2012).

The paper argues that conflictive approaches are not part of the secondary powers' strategic portfolio towards Brazil inasmuch as South America is a negative zone of peace – that is, a region where major interstate wars are unlikely. Hard balancing, which consists of the building of defensive military alliances and/or an increase in military spending in order to compete with the primary power, is not a viable option for South American secondary powers. Whereas hard balancing is a revisionist strategy that involves a reconfiguration of the regional order, soft balancing aims only to hamper and constrain the rise of the primary power.

Soft balancing, as a foreign policy strategy, is a rational decision for a secondary power in its relations with the regional power in those regions where rivalry is replaced by competitive patterns, as in South America. The purpose of soft balancing is to even out or ameliorate the existing asymmetric distribution of power, and to frustrate the powerful actor's achievement of foreign policy goals by increasing its costs of action (Pape 2005; Paul 2005).

Soft balancing includes a pool of discursive and institutional instruments such as the formation of limited diplomatic coalitions or ententes to constrain the superior power. "Buffering" aims to extend weaker states' room to maneuver vis-à-vis stronger states (Greenfield Partem 1983). It also involves strengthening economic ties between peers and questioning the legitimacy of unilateral policies. "Entangling diplomacy" refers to the use of the rules and procedures of international institutions to influence the primary state's foreign policy (Paul 2005: 57). "Binding" strategies aim to restrain stronger states through institutional agreements (Ikenberry 2003).

The most extensive form of binding is "omni-enmeshment," a process that allows weaker states to tie down several superior powers in multilayered institutional affairs in order to create overlapping spheres of influence. The purpose of omni-enmeshment is to develop "a web of sustained exchanges and relationships" to such an extent that "the target state's interests are redefined, and its identity possibly altered" (Goh 2008: 121–128).

South American secondary powers' soft-balancing strategies might be driven by different factors at different systemic levels. In this sense, foreign policy theory asks for the balance between the existing domestic and systemic drivers. In this paper's terminology, the latter comprise the drivers of structural, historical and behavioral contestation. Whereas Capie (2004: 237) concludes from empirical observation that the foreign policy decisions of secondary states must be explained by a combination of domestic and external factors, we agree

with Zakaria (1992: 482), who establishes a hierarchy stressing the fact that "a good theory of foreign policy should first ask what effect the international system has on national behavior, because the most powerful generalizable characteristic of a state in international relations is its relative position in the international system."

Secondary powers have a two-sided systemic position: they formulate their foreign policy strategies under the condition of factual, perceived and/or anticipated inferiority to the primary power and superiority to the other states of the region (Ebert et al. 2012). This paper assumes, first, that if a region consists of one primary and more than one secondary power, then the relative systemic positions of the secondary powers do not deviate considerably from each other and, therefore, can be excluded as an explanatory factor for the variation in regional secondary powers' strategies. It thus considers the international system's constraining forces as being present and showing a similar dynamic in subregional systems, since these subsystems are embedded in the international structure (Jesse et al. 2012: 8–9).

The second argument advanced in this study is that domestic actors have the greatest impact on foreign policy in times of peace and stability (cf. Ripsman 2009: 186). In a security-abundant environment, the costs of allowing domestic actors to contribute to the making of foreign policy are low and the foreign policy executive (FPE) will be more willing to make concessions to domestic interest groups. This argument rests on the assumption that the FPE is more aware of the national interest and the constraining effects of the international system than other domestic actors because of its privileged access to information from state agencies. Conversely, when the state's survival is at stake, the FPE will have powerful incentives to ignore domestic demands, to extract resources from domestic actors and to formulate foreign and security policies with the overriding goal of securing the state (Taliaferro et al. 2009: 27).

On the basis of these theoretical arguments, the paper develops the following hypothesis regarding the presumed variation in soft-balancing behavior on the part of South American secondary powers towards the regional power: If regional orders are characterized by cooperative or competitive interstate relations (security abundance) and comprised of one regional and more than one secondary power (relative power symmetry), domestic drivers of contestation will have a stronger weight in explaining the variance in the strategic responses of secondary powers to the primary power's leadership claim.

The paper proceeds as follows: First, it offers a neoclassical realist analytical framework, within which the potential causes of contestation are discussed. Second, it analyzes the drivers of contestation on the part of Argentina, Chile, Colombia and Venezuela as secondary powers in relation to Brazil for the period 2000–2011. Finally, it assesses the main findings regarding the politics of contestation in South America.

2 Comparative Framework: Causes of Contestation in International Relations

The explicit or implicit drivers of secondary powers' efforts to contest rising powers' claims to (sub)regional leadership can be explained according to four overriding categories: structural, historical, behavioral and domestic drivers of contestation.[2] These drivers shape secondary powers' regional strategic actions and the ways they approach the primary power.

First, secondary powers' strategies of contestation can be explained by their discontent with the status quo of power distribution in a region. Under circumstances of high regional polarity with skewed material superiority on the part of the primary power vis-à-vis the secondary power, a direct and revisionist strategic approach on the part of the latter is not likely. From the neorealist perspective, regional contestation is explained by the balance-of-power approach, because "the scope and ambition of a state's foreign policy is driven first and foremost by its relative power capabilities" (Rose 1998: 146). Whereas military power is based on the latent power of a country, which consists of its economic and demographic resources, a broader approach to material power also incorporates technology and energy indicators (Treverton and Jones 2005). The argument is that economic and technological dependence on the primary power are further structural factors that influence the strategic response of the secondary power.

Moreover, regional uni-, bi- and multipolarity may also stimulate secondary powers to pursue different paths of contestation. A unipolar security cluster seems to be most likely to provoke secondary powers to contest the dominant state, whereas under conditions of regional multipolarity it might be difficult to even identify the target of contestation. However, a path of developing multipolarity may trigger competition for predominance, as secondary powers will try to achieve the necessary material capabilities to match the predominance of a regional power. In situations of regional bipolarity – in which one of the existing secondary powers develops material capabilities that surpass the rest of the secondary powers with the purpose of matching the power of the regionally predominant state – the contestation is two-dimensional. First, the secondary powers will tend to constrain and hamper the accession of the secondary power to regional "powerhood." Second, the existing regional power will also unfold strategies to hamper the secondary power's transition to regional power status. In such a setting, implicit or explicit coordination amongst secondary states to hamper the new rising process of the would-be regional power can be expected. Moreover, it is also expected that there will be "cooperation" between the secondary and the primary power to impede the further rising of other states with regional powerhood ambitions.

Second, strategies of regional contestation can be driven by historical experiences of conflict or rivalry and their legacies. Historical drivers must be seen in direct connection with

2 The following analytical framework on the drivers of contestation has been applied to the Asian region in the context of the above-mentioned research project: See Ebert, Hannes, Daniel Flemes and Georg Strüver (2012), *The Politics of Contestation in Asia*, GIGA Working Papers, 206, online: <www.giga-hamburg.de/working-papers>.

behavioral drivers of contestation, as secondary powers will interpret historical experiences in light of the current relationship (Hwang 2003). In short, both categories are likely to reinforce each other and can lead to threat perceptions on the part of secondary powers.

It seems unlikely that secondary powers that have been victims of aggression by the regional power in the past will be ready to accept the latter's claim to leadership. In particular, unresolved territorial or border disputes will motivate secondary powers to firmly contest the regional ambitions of primary powers and to refuse to support or follow them. Negative historical experiences and unresolved conflicts are likely to cause images of the "violent enemy" or "competitive rival," which become part of the collective memory of the secondary power's society and political elite (He 2008; Thies 2008; Goertz and Diehl 1993).

Hence, the imminent or latent threat perceptions held by secondary powers will be manifest in their security strategies and military doctrines. Otherwise, military and defense cooperation between the regional and the secondary power in terms of military personnel exchanges or common maneuvers hint at a certain degree of mutual trust. If two state actors intend to overcome their historical rivalry by developing trust-building measures in the defense sector, negative images might change, the degree of contestation might decrease and friendship may take root (Oelsner and Vion 2011).

Third, contestation strategies can be caused by the foreign and security policy behavior of the primary power. Whereas the alliance dependence of the secondary power on the primary power makes strategic contestation less likely, a direct security threat to the secondary state from the primary power is the strongest driver of contestation. The regional power can threaten the secondary power's vital interests, such as its territorial integrity and its natural resources. Primary powers can also actively engage in intraregional coalitions or military alliances with adversaries of the secondary power that are intended to or involuntarily result in isolating the latter (Arquilla and Fuller 1996). In the same way, the primary power's special relationships with extraregional great powers seen as foes by the secondary power are likely to trigger contestational politics (Alecu de Flers and Regelsberger 2005). In this case the secondary power's strategic reaction will be influenced by the difference between its own and the primary power's threat perception with regard to the extraregional power (Press-Barnathan 2006: 308). In addition, secondary states are more likely to be driven to contestation in cases where the primary power abandons the "rule-based order and act[s] unilaterally on a global scale" (Ikenberry 2003: 5).

Explicit or latent security threats are typical drivers of contestation if the relationship between primary and secondary power is marked by imperialist or hegemonic behavior on the part of the former. Regional strategies of empire and hegemony are based exclusively on the self-interest of the primary state, and, particularly in the case of imperialist strategies, secondary powers are expected to submit after being confronted with politics of coercion or intervention (Destradi 2010). Here contestation will be the most obvious choice of secondary

powers, because every state avoids abiding by rules made by others without consideration of its own values, interests and survival.

In addition to active foreign policy behavior such as coercion and alliance building, passive behavior on the part of regional powers can also provoke politics of contestation. Hence it is assumed that an implicit or explicit claim to leadership must be substantiated by the rising power's regional strategy. If the most powerful state does not at least partially play the role of a regional leader, including the exercising of the respective duties and responsibilities (regional neglect), secondary powers will tend to contest the use of the region as a power base for the rising power's global ambitions.

The more types of regional leadership the regional power is ready to provide, the less intense the politics of contestation on the part of the secondary power will be. To avoid contestation the regional power must be able

— to provide public goods such as relative stability and infrastructure to its region and to pay a high proportion of the economic costs of cooperation (distributional leadership);
— to share power with secondary states by including them in regional decision-making through multilateral summits, intergovernmental institutions or dual leadership patterns (multilateral leadership);
— to project norms and values based on its legitimacy and moral authority that include the ideational beliefs of the potential followers in order to gain their acceptance for a regional project (ideational leadership); or
— to guide discussions based on inclusion, bridge political and ideological cleavages, and articulate a pluralist agenda that leads to a discourse on regional consensus creation (consensual leadership).

Fourth, endogenous forces may also have an impact on the types of contestation secondary powers unfold towards the rising power. Rose (1998: 161) argues that the magnitude of the impact of these endogenous forces always depends on "the state apparatus and its relation to the surrounding society." The relative autonomy of the FPE from domestic actors is also an important factor shaping the type of foreign policy strategies that a state enacts. In fact, the relative autonomy of the government is expected to be more important than the type of regime (Ripsman 2009: 171). Thus, the more autonomy an FPE has from domestic groups, the fewer concessions it has to make in the process of extracting resources to carry out security and foreign policies. This is the case even in nondemocratic regimes, where key domestic groups may act as veto players, hampering the state's power to extract resources from privileged groups with material and economic power.

Although the regime type is secondary to its autonomy, it still plays a role in the state's capacity to extract resources from the society. In fact, the state's power to extract resources from society may create "winners and losers," as the state's resource-extraction capacity relies not only on institutional bargaining between the executive and domestic groups, but also on the leadership capacity of the one holding power. Thus, state power and concessions to

domestic groups are not cost-free for the government (see Taliaferro 2007: 156). In this sense, the more influential domestic players will be those with sufficient power to remove national executives from office (whether through the ballot box or coups d'état), those who can act as veto players to obstruct the government's programmatic goals, or those who can shape the definition of the national interests. In nondemocratic states, potential veto players such as powerful bureaucratic actors, religious leaders, economic elites, or the military can extract policy concessions from the executive (Ripsman 2009: 185). In a democratic state, the legislature, either as a whole or through its key legislative committees on foreign affairs, might be the principal veto player able to channel public opinion, including through single-issue interest groups and the media (see Tsebelis 2002). However, where a low-level conflictive regional environment exists, the democratic government may provide access points for domestic groups to shape the government agenda as it needs input for its policy making and wishes to limit these domestic actors in order to maintain its extractive capacity. Domestic groups, on the other hand, need to convert their interests into policy outcomes (see Ehrlich 2007).

Therefore, government changes through elections, the preferences of relevant economic interests and of the military and foreign policy think tanks, and the role of media, parliament and public opinion may all impact the way a secondary power contests or cooperates with the primary state in regional affairs. Neoclassical realists argue that foreign policy choices also depend on the FPE's perceptions of relative power and not simply on relative quantities of material resources (Rose 1998: 147). Consequently, misperceptions regarding the regional power distribution and polarity can drive a state's strategy. The FPE might also be constrained since there is no internal agreement on the assessment of the international environment. As Taliaferro and his colleagues (2009: 22) emphasize, "by positing an intervening role for elite perceptions of systemic variables, neoclassical realist scholars modify the assumption that states act rationally in pursuit of their intended goals." A change of government not only brings new leadership and elite perceptions, which affect the international behavior of the state (Jervis 1976), but also – when the new government has a different ideological orientation from the previous one – new directions in the foreign policy agenda.

Foreign policy decision-makers and societal leaders in secondary states might respond to shifts in the relative distribution of particular capabilities that threaten specific strategic interests (Lobell 2009: 55). The perception of the primary state held by the elites of the secondary state is, therefore, "in part a function of which component of power is rising" (ibid.). Specific components might include shifts in territory, population, ideology, or military or economic power (see Spiegel 1972). For instance, economic elites may demand that the state reduce the use of foreign policy means that jeopardize their own economic interests; they may also push the state to pursue and promote a closer relationship with the emerging power if this primary actor's economic growth has a potentially positive impact on powerful economic actors from the secondary state. On the contrary, if the primary regional actor pursues self-serving economic strategies that affect influential domestic coalitions in the secondary state,

then the government – in response to domestic pressures – may develop counterpolicies to ameliorate the exclusive economic dependence on the regional power.

Figure 1 provides an overview of the drivers of contestation and proposes how they can be put into operation for the comparative analysis.

Figure 1: Operationalizing Causes of Contestation

Domestic Causes of Contestation		
	– Election/change of government – Relative autonomy of the FPE – Resource-extraction capacity – Economic interest (groups) – Parliament, media, think tanks – Armed forces, bureaucratic actors	
Structural Causes of Contestation		
Regional Polarity *Distribution of capabilities*	***Regional Polarity*** *Mode of conflict management*	***Economic Dependence*** *Regional economic order*
– Unipolarity – Bipolarity – Multipolarity	– Power restraining power – Concert of powers – Collective security – Security community	– Trade – Energy – Technology – Infrastructure
Historical Causes of Contestation		
Historical Legacies	***Collective Images***	***Threat Perceptions***
– Territorial disputes – Border disputes	– Violent enemy – Competitive rival	– Government, security agencies – Population, media, social actors
Behavioral Causes of Contestation		
Security Threats		***Nonprovision of Leadership***
Empire/hegemony	*Alliance building*	*Regional neglect*
– Intervention/coercion – Threat to vital interests	– Regional alliance building – External alliance building	– Lack of distributional leadership – Lack of multilateral leadership – Lack of ideational leadership – Lack of consensual leadership

Source: Authors' compilation.

To summarize, the secondary power's strategic choices in relation to the regional power are contingent on the regional power structure, the rising power's foreign and security policy behavior, the history of the bilateral relationship, and the influence of endogenous actors. It is difficult to determine the balance between these overriding groups of drivers, as they provide the secondary and regional powers with different courses of action. Whereas rising powers can directly adjust their foreign policy behavior to overcome regional contestation, they can only indirectly control structural factors such as regional polarity. To transform historical patterns of enmity and mutual distrust between regional and secondary powers, a long-term approach and political will on both sides is needed. While the paper establishes a clear

distinction between these drivers of contestation for analytical purposes, in the reality of international politics they unfold in an intertwined manner, as the following sections show.

3 The Strategies of South American Powers: Domestically Driven?

The type of regional polarity (unipolarity) and the security order (security community) in which the relationships between Brazil and the region's secondary powers are embedded have not changed significantly during the last decade. Moreover, historical drivers of contestation are not explanatory factors in this empirical setting given the peaceful past between Brazil and the South American secondary powers. Besides the historical rivalry between Brazil and Argentina, neither legacies of conflict nor mutual threat perceptions undermine the relationships of the states under consideration. Consequently, it is not likely that the major policy shifts on the part of the secondary powers towards Brazil in the last decade have been based on historical or structural drivers. Before analyzing the causes, and in particular the domestic drivers, of each secondary power's strategic responses, we highlight Brazil's foreign policy behavior as a potential cause of contestation.

Brazil's willingness to provide public goods (distributional leadership) differs according to the issue area under consideration. Brasilia is not ready to pay the costs of economic integration, but it is willing do what is necessary to secure regional stability. On the one hand, Brazil has recently been increasing its military spending in order to secure the status of the region's dominant military power (Flemes 2008). On the other hand, Brasilia provides regional stability through its various mediation engagements and security-cooperation initiatives. Additionally, Brazil invests in the public goods of regional energy security and infrastructure (Initiative for the Integration of Regional Infrastructure in South America, IIRSA). However, the country is not taking on a great share of the economic integration costs: the regional power does not support smaller UNASUR members through payments into structural funds. It is true that Brazil forgave the debts of Bolivia and Paraguay in recent years, but its smaller neighbors are demanding that Brazil open its consumer market to their goods.

The acceptance of Brazil's leadership in South America will depend on – in addition to the provision of public goods – its ability to bridge political and ideological cleavages by way of an ideational leadership project. In this regard, Brasilia is trying to guide the states of the region towards the shared goal of a South American space. Brazilian diplomacy has successfully established a regional consensus on democracy, human rights, development, the eco-social market economy and regionalized responses to the challenges of economic globalization (Burges 2008).

Nevertheless, the discourse of justice and democracy is not being put into operation on the ground because Brazil is not building inclusive and democratic institutions that allow for the participation of secondary players in regional decision-making processes. Cooperative hegemony includes the readiness to share power on a permanent basis (Pedersen 2002). Yet

Brazil does not share power with its neighbors on a permanent basis because MERCOSUR and UNASUR have no significant competencies. Brazil holds a leading role in these regional institutions without being prepared to make economic concessions or transfer sovereignty to regional institutions. Therefore, it provides multilateral leadership only to a limited degree by way of intergovernmental summits and institutions.

Thus, it is Brazil's low level of multilateral leadership and its selective distributional leadership that are the principal drivers of the contestation that might result from its foreign policy behavior. However, Brazil does not discriminate among the secondary powers under consideration in its (limited) provision of this multilateral and distributional leadership. It provides (or does not provide) all four types of leadership to the region as a whole. What varies are the secondary powers' expectations and perceptions of Brazil's behavior.

3.1 Argentina: Influencing through "Competitive Partnership"

Argentina's foreign policy is the reflection of a domestic political process that follows a short-term rationale. This subordination of foreign policy to domestic politics is key to understanding the Kirchner administrations' approaches in regional and global affairs and especially in Argentina's relationship with Brazil (Malamud 2011a: 87–88). Historical continuity is also observable in the relationship with Brazil. On the one hand, Argentina sees Brazil as its main partner but, on the other hand, it is Argentina's competitor. This apparent ambiguity in Argentina's "competitive partnership" with Brazil represents the balance-of-power rationale.

Néstor Kirchner's Presidency (2003–2007)

Argentina sees Brazil as a partner in the creation and functioning of the MERCOSUR (Taiana 2006: 12), and it perceives its participation in MERCOSUR as that of an equal and not as the result of Brazilian supremacy (see Malamud 2011a: 92). This image of equality is related to Argentina's traditional view of Brazil as a competitor for the exertion of influence in South America, despite the increasing asymmetry in favor of Brazil in recent years as a consequence of the economic crisis of 2001 (Russell and Tokatlián 2003).

Domestic economic and societal interests were a driving force behind Argentina's foreign economic policy orientation during Kirchner's presidency. As a consequence of the economic crisis of 2001, the main priority was economic recovery and the reindustrialization of the country (Frente Para la Victoria 2003). Argentina broke off relations with the IMF and kept its relationship with Washington at the multilateral level rather than the bilateral level, which isolated it internationally. It thus sought to establish close political relationships with Brazil and Venezuela to compensate for its loss of international preponderance.

However, Argentina adopted the defensive economic strategy of trying to reduce its economic dependence on Brazil – its main trade partner – in order to protect part of Kirchner's electoral base. Argentina favored domestic economic coalitions from the industrial sector

(producers and workers) by implementing economic measures in its relationship with Brazil such as the controlling of trade flows, the application of voluntary export restraint measures and the implementation of other ad hoc protective measures. (Bouzas and Kosacoff 2009: 16). Despite Argentina's defensive orientation, Brazil adopted a tolerant position on this matter as it had also been hit by the economic crisis (devaluation of the real) and had adopted protectionist measures for its vulnerable economic sectors. Moreover, Brazil adopted a "strategic patience approach" towards Argentina's reindustrialization process (Guadagni et al. 2010: 15) as a way to preserve the good diplomatic relationship with its main regional partner.

Néstor Kirchner replaced the coalition with the United States because Washington did not do much to help Argentina vis-à-vis the IMF, and because the new government identified itself with the ideological left. In this sense, the influence of domestic factors in Argentina's foreign policy was stronger, both because of the potential electoral costs involved and because of the absence of security threats, the latter of which made it possible to break off the alliance with the US. Kirchner had been elected with 22 percent of the votes and thus needed to respond to domestic pressure to legitimate his government and to secure the presidential election for a member of his political circle for the next term. Moreover, the creation of an explicit alliance with Venezuela had ideological, political and economic motives.

First, Chávez's anti-US and antiglobalization rhetoric provided Argentina with a means to reduce its international isolation as well as a response to the pressure from Argentina's Peronist social movements, which were sympathetic to Chávez. Second, the buffering strategy with Venezuela was also seen as a way to balance and constrain Brazil's global ambitions and to prevent its use of the region as a platform to global powerhood. Argentina's strong support for the inclusion of Venezuela in MERCOSUR illustrates the former's goal of soft balancing Brazil and of reducing the extant asymmetry between the two countries (cf. Simonoff 2008: 49). Finally, Argentina's approach to Venezuela was economically pragmatic in the sense that it needed access to foreign credit to implement the national economic measures of reindustrialization and to fulfill its obligations to its creditors (Malamud 2011a: 94–95). Venezuela also became an export market for Argentina's agro-industrial sector. The relationship thus strengthened Argentina's economic ties with its peer and diffused its economic dependence on the regional power. In this sense, the economic side of this alliance was conceived of as a way to gain room to maneuver vis-à-vis international creditors, as well as global and regional hegemons.

The Presidencies of Cristina Fernández de Kirchner (2007– present)

Cristina Fernández's foreign policy orientation has followed a path similar to that of her husband's government. She has prioritized responding to domestic pressures from the protectionist industrial sector, as well as those from social movements, something on which her electoral platform was built (Russell 2010b: 117).

The economic relationship with Brazil within MERCOSUR has improved in terms of economic exchange. However, protectionist measures have still been used in a reciprocal way. Moreover, MERCOSUR's institutional development has stalled, and its leading countries have not made serious attempts to give new impetus to this element of the regional group's work. In its relationship with Venezuela, Argentina has deepened the alliance as a way to soft balance Brazil. In addition, Argentina has enhanced the economic and political ties with China established under the previous government in order to reduce the relative importance of Brazil's market – that is, to reduce economic dependence by creating economic interdependencies with other major markets through trade relations with peers. It is important to mention that China has become Argentina's second most important economic partner after Brazil (Zelicovich 2011). Thus, enhancing the existing economic bilateral relationship with China has also been an indirect way of contesting Brazilian regional hegemony.

Regionally, Argentina also aspires to play the role of a joint entrepreneurial leader with Brazil in the institutionalization of and crisis management duties of UNASUR. Here Argentina's interest is to secure a predominant position in Brazil's foreign policy, as well as to play the role of a soft balancer towards Brazil within the UNASUR. The election of former president Kirchner as the UNASUR secretary-general not only reflected his personal interest in using the post as a platform for a presidential nomination – as well as to enhance the partnership between both countries – but it also addressed Argentina's need to exercise soft-balancing behavior, or entangling diplomacy, with respect to Brazil. This sharing of the leadership role within the UNASUR became evident in Brazil and Argentina's dual effort to facilitate dialogue between Colombia and Venezuela during the crisis of July–August 2010 (Wehner 2011a).

Whereas dual leadership and cooperation within UNASUR are part of the relationship between these two countries, Argentina and Chile have also unfolded parallel entangling diplomacy strategies within this regional grouping by setting the programmatic orientation of the South American Defense Council (see Nolte and Wehner 2011). In addition, Argentina has adopted an "omni-enmeshment" approach. It holds an instrumental view of the Latin American region as a whole and aims to include Mexico as a balancer to a possible hegemonic project on the part of Brazil. It has included Mexico in its soft-balancing strategy by supporting the creation of Latin American schemes such as the Community of the Latin American and Caribbean States (CELAC) that superpose and overlap with subregional groupings.

Whereas Argentina has a cooperative and competitive relationship with Brazil at the regional level, its competitive rationale is stronger at the international level. Since the Fernández government has been in power, Argentina has continued to uphold a balking approach, refusing to support Brazil's quest for a permanent seat on the United Nations Security Council (UNSC) (see Lapp 2012: 155). The permanent seat would exclude Argentina from Brazil's power equation, and the prospect has created fear on Argentina's part that the power gap between the two countries would increase, transforming the extant partnership into a type of

subordination. Argentina has joined the group Uniting for Consensus, which aims to balance Brazil's and the rest of the G4 members' quest for permanent seats on the UNSC, along with Italy, Pakistan and others. Argentina favors a reform of the UNSC that would see new, non-permanent members (see Bielsa 2005: 4). This view is consistent with its desire and its proposal for the creation of a permanent regional seat for Latin America based upon a rotation system (Mayoral 2004). This proposal reflects Argentina's view of the competitive partnership and its aim of preventing an even greater asymmetry in its relationship with Brazil, something that might eventually erase Brazil's need of such a partnership.

3.2 Chile: Autonomy through Bilateral Free Trade

Chile has adopted a pragmatic approach in its external relations in order to secure its traditional principle of autonomy within the framework that international law and multilateral institutions provide. Chile's relationship with Brazil is one of friendship, as they do not share a common border (Álvarez and Fuentes 2007). However, the same fact impedes further cooperation, even though Chile is seen as Brazil's most reliable partner in the region (see Malamud 2011b). Chile has nevertheless implemented soft-balancing behavior towards the project of regional hegemony rather than towards Brazil itself, as the following analysis shows.

Ricardo Lagos's Presidency (2000–2006)

Chile's foreign policy strategy during the Lagos presidency was to increase its network of free trade agreements (FTAs) within and beyond Latin America. In fact, Chile is one of the countries with the most FTAs in the world. By having FTAs with all the economic powers and developing countries, Chile reduced both its asymmetrical economic dependence and the potential political influence that world and regional powers could exert over it through the diffusing effect that multiple commercial ties produce.

Chile strengthened economic ties with its peers and used FTAs as a soft-balancing tool. It took a pragmatic approach to regional integration, giving priority to the economic side of integration rather than to Brazil and Venezuela's hopes of using the region as a political project. As an associate member of MERCOSUR, Chile maintained an ambivalent position towards this regional group. In fact, Chile sought to prevent potential entrapment within MERCOSUR by lessening both its own economic dependence on MERCOSUR and MERCOSUR' political influence on it (Wehner 2011b). Chile viewed MERCOSUR as Brazil's political project; full membership in this group would thus have meant acceptance of Brazil's leadership, which might have limited Chile's autonomy in its own foreign relationships (Mullins 2006: 123). It is true that the country's repeated turning down of Brazilian invitations to adopt full membership in MERCOSUR reflected a balking strategy (Lapp 2012: 151), but instead of representing direct contestation, Chile's approach demonstrated that its foreign policy goals and choices went beyond the view of Brazil as a predominant power.

In the security domain, Chile adopted a mixed strategy of soft and hard balancing. On the one hand, it continued improving security cooperation with Argentina by establishing measures of mutual trust such as the signing of a protocol to establish a binational peace operation force, and of an accord to create a system for homologating their defense expenditures (Villar 2006: 135). In addition, Chile was one of the main promoters of regional solutions to regional security problems, such as that in Haiti (MINUSTAH) (see Fuentes 2006: 115–116). On the other hand, Chile continued to increase its defense expenditures, becoming one of the main military powers in South America. Chile achieved NATO standards, and it may even match Brazil's air force and tank capabilities once it completes the renewal of these items (see Flemes and Nolte 2010: 26). Although Chile did not have a historical rivalry with Brazil, Chile indirectly adopted a strategy of military predominance regarding its neighbors and an indirect balance-of-power strategy towards potential regional hegemony.

Michelle Bachelet's Presidency (2006–2010)

The logic of using FTAs as a soft-balancing tactic to reduce economic dependency on global powers, regional integration schemes and regional powers was still present during Bachelet's presidency. However, some new approaches emerged, such as the exertion of a proactive role in regional affairs. Although the previous government had tried to exert a leading role regionally, the Lagos government was confronted with Bolivia's land-locked condition and its aim of regaining access to the sea through Chilean territory. The Bachelet government sought to improve bilateral relations with Bolivia by establishing an agenda of 13 points that included mutual trust measures and this issue (Wehner 2011c). This agenda not only demonstrated Chile's will to improve bilateral relations with Bolivia, but it also erased potential obstacles to its exercising of a proactive role in South America. In fact, the Bachelet government's South American agenda became even more proactive when Chile assumed UNASUR's pro tempore presidency (Fuentes 2009: 140).

Although Chile was reluctant to join UNASUR, as it preferred bilateralism in order to maintain its autonomy (see Wehner 2011a: 150), it held the initial presidency of this regional organization. This regional group was a Brazilian initiative, yet for Chile it was better to be inside than outside it, and to articulate and express its priorities and agenda from within.[3] Chile thus adopted a binding strategy: it shaped and set UNASUR's security agenda by bringing its experience of bilateral security cooperation with Argentina into a regional framework. Argentina and Chile exerted dual leadership to institutionalize the security practices of the South American Defense Council (CDS) (Nolte and Wehner 2011).

On the one hand, Brazil created regional platforms for achieving global projection, but on the other hand it was not able to make UNASUR into a springboard for its global interests as Argentina and Chile achieved leading roles in the formulation of its security agenda (Mal-

3 Interview with Angel Flishflish, Santiago de Chile, April 2011.

amud 2011b). The cooperation pattern within UNASUR also generated competition with Brazil, as secondary powers sought to embed Brazil and prevent the regional leader from unfolding a hegemonic strategy (see Nolte 2011).

Sebastián Piñera's Presidency (2010–present)

Piñera's right-wing government has also kept the main elements of Chile's foreign policy from the left-wing governing coalition La Concertación (1990–2010). Chile has continued with its rush to implement FTAs and its strategic goal of using them to maintain its autonomy and reduce potential political influence from regions and hegemonic and regional powers (Wehner 2011b). Moreover, Chile supports UNASUR's role as a conflict manager and is involved in the peacekeeping operation in Haiti, together with Argentina and Brazil. Even though Chile has continued to exert a proactive role in institutionalizing the CDS, the leadership of the foreign ministry under Piñera fulfills its role in the UNASUR "on the basis of obligation and not conviction."[4] Santiago's current FPE is aware that it would be very difficult to pursue specific national interests in global forums without the support of the UNASUR's gravity center Brazil – for instance, the keenly aspired to establishment of growing trade ties to Asia (ibid.). Thus, Chile's approach to UNASUR is pragmatic and power driven. From within the organization Chile can establish issue-area alliances such as the existing defense cooperation with Argentina, the unfolding of its binding strategy towards regional hegemony projects, and the shaping of the region's security and economic agenda. It can also maintain a friendly relationship with Brazil without incurring high costs through politically and economically binding compromises. As a UNASUR member Chile can also hamper and delay decisions, and find intermediate solutions, when its national interests are affected by this regional initiative. Like the La Concertación governments, Piñera has also supported Brazil's quest for a permanent seat without veto rights on the UNSC (see Wehner 2011a).

Chile has also sought to prevent hegemonic temptations on the part of Brazil by unfolding an omni-enmeshment strategy, thereby binding Brazil through the inclusion of other actors, such as Mexico, in its regional conception. The goal of having a Latin American viewpoint rather than a purely South American perspective is also an element of continuity in Chile's foreign policy strategy. Chile's strategy is to include Mexico in regional initiatives – for instance, through the creation of the Community of the Latin American and Caribbean States (CELAC) – as a way to ameliorate Brazil's regional influence and Chile's entrapment within UNASUR. Having a partnership relationship with Mexico is also a balancing mechanism for the Argentina–Venezuela relationship. What is new in the Piñera government's foreign policy is the use of the strategy of buffering. Chile now participates in an explicit strategic alliance of pro-market countries, the Alliance of the Pacific, the other members of which are Colombia, Mexico and Peru. This alliance is commercial in nature as it creates mecha-

4 Interview with Fernando Schmidt, Santiago de Chile, September 2011.

nisms for increasing the economic interdependence of the members, but it also has political connotations as it excludes Brazil and opposes the left-wing regional coalition of Bolivia, Venezuela, and Nicaragua.

3.3 Colombia: Pragmatic Reorientation between UNASUR and the Alliance of the Pacific

Colombia's relationship with the United States has traditionally been a fundamental force in shaping its foreign policy, which does not mean that Bogotá has always pursued a bandwagoning approach towards the northern powerhouse. For instance, after the Cold War period President César Gaviria (1990–1994) reestablished diplomatic relations with Cuba and pressed for a Third-Worldist diplomacy. However, two years after the election of Andrés Pastrana (1998–2002), the Clinton administration initiated the broad-based Diplomacy for Peace initiative, which addressed economic and social challenges as well as illegal drug production and quickly became the repression-based Plan Colombia.

Álvaro Uribe's Presidencies (2002–2010)

During Álvaro Uribe's two terms, Colombia's foreign policy was instrumental to the realization of domestic policy priorities within the framework of Uribe's Seguridad Democrática program. Accordingly, the foreign ministry played an under part without mentionable margins of autonomy. International initiatives were mostly limited to free trade agreements and reactive policies regarding political and ideological tensions with neighboring states.

In general, Colombia's bandwagoning approach towards the United States and, in particular, its bilateral free trade agreement was the pivot of foreign policy in the Uribe years. Relative isolation within South America was the consequence of this one-sided orientation. Colombia has even been called the "Israel of Latin America" (Cardona 2011: 142). One expression of Uribe's regional isolationism was Bogotá's reluctance to participate in the UNASUR project, which Uribe perceived as politically weak and inappropriate for economic integration.

In addition, President Uribe feared the potential use of the UNASUR as a platform for a political discourse opposing the US, the Plan Colombia and his administration. The passive resistance to the Brazil-initiated cooperation project led to political resentment between the two states. The Colombian bombing of the FARC camp on Ecuadorian territory in 2008 without prior regional consultation further aggravated the geopolitical antagonism. Presidents Uribe and Lula agreed on the need to eradicate illicit drug crime, but they disagreed on the means for managing this transnational security threat.

Even though the Colombian military alliance with the United States reflected in the Plan Colombia was not directed against Brazil, it undermined the regional power's geostrategic interests in South America. In particular, the use of seven Colombian military bases by the US armed forces can be interpreted as "collateral hard balancing" against the militarily pre-

dominant Brazil (Flemes and Nolte 2010: 30–32). At a UNASUR summit, President Uribe had to assure to his critics that US security forces would exclusively focus on fighting drug crime and refrain from transborder monitoring, espionage and intervention activities (see Carvajal 2011). Another issue further suggests latent mutual threat perceptions between Bogotá and Brasilia: Herrera Chaves (2010: 488) argues that in the face of Bogotá's incapacity to control the illegal activities of criminal actors in the Colombian Amazon and possible spillovers to the Brazilian Amazon territory, Brasilia's upgraded armed forces could have potentially taken action to resolve the transnational problem.

Juan Manuel Santos's Presidency (2010–present)

During the transition period from the Uribe to the Santos government, public opinion indicated a decrease in approval for the privileged partnership with the United States and the need to put an end to regional isolation and diversify foreign partners. The elections had a great impact on the orientation of Colombia's foreign policy. The country's foreign policy under Juan Manuel Santos has been characterized by more pragmatism and multilateralism than that in the era of Álvaro Uribe. With a view to the FPE, the Ministry of Foreign Relations is recouping its roles as coordinator and leader of the foreign policy making process; the vice president and the Defense Department played these roles during the Uribe administration (Ardila 2011: 2).

Two changes will potentially impact bilateral relations with Brazil. First, Pastrana (2011: 12) has identified a "new South American strategy," which President Santos is pursuing, that is driven by "conviction instead of obligation." Second, we can observe a thematic shift in the foreign policy agenda: security, drug trafficking and terrorism have lost in emphasis, whereas global issues such as climate change, human rights, energy security and the reform of the Bretton Woods institutions have become increasingly more important for the UNSC member (2011–2012).

The Santos administration's approach has been characterized by more multilateral engagement than that of the previous government. The normalization of diplomatic relations with Venezuela and Ecuador and the fact that the destination of Santos's first official visit was Brazil illustrate the priority given to regional engagement. The de-ideologization of relations with Venezuela is in response to domestic economic preferences, in particular those of the Colombian industry sector, since the neighboring country is the natural destination of processed export goods. Bogotá and Caracas have also agreed to share responsibility for the UNASUR General Secretariat for the period of 2011/2012, a collaboration that would hardly have been conceivable during the Uribe presidencies.

Colombia's bilateral relationship with Brazil has gained new momentum under Santos. In geopolitical terms, the Santos administration has begun to use the weight of a more powerful Brazil in order to relativize the traditional hegemony of the United States. Both countries have signed cooperation treaties covering the areas of social and infrastructure devel-

opment, collaboration in science and education, armaments and defense collaboration, and the joint combatting of transborder crime (Bromley and Guevara 2009: 170; Pastrana 2011: 14).

The Colombian Industry Association (ANDI) generally supports the political and commercial turn towards Brazil, hoping for technology transfers in strategic sectors like mining and armaments as well as for an upgraded transnational infrastructure and better energy interconnections (Vieira 2010: 60). Likewise, the finance sector, represented by the Colombian National Association of Financial Institutions (ANIF), advocates increased bilateral interchange and stresses the great potential of Brazilian inversions (Clavijo 2011; Pastrana 2011: 11). The Santos administration may provide access points for the ANDI and the ANIF, letting them contribute to the foreign policy agenda and thereby gaining domestic legitimacy. In contrast to these two economic interest groups, the Colombian Agriculture Society (SAC) has called for a cautious approach to the liberalization of bilateral agritrade because the sector is vulnerable with a view to the highly competitive Brazilian agribusiness. Similarly, the National Association of Farmers (Fedegán) even fears the disappearance of farming in Colombia and the general socioeconomic decline of rural areas in the face of the massive Brazilian ranching industry (Fedegán 2010, quoted in Pastrana 2011: 11).

Even though the Santos government can expect domestic resistance from some pressure groups and the unions of vulnerable business sectors, Bogotá is marching towards a strategic partnership in trade and defense with Brazil. Pastrana (ibid.: 14) argues that President Santos currently has two historic windows of opportunity: First, he could now begin to negotiate Colombia's full membership in MERCOSUR. Second, Bogotá could use Brazil and a more liberalized and dynamic MERCOSUR as launching pads for a new Andean leadership project.

At the same time, President Santos and Foreign Minister Holguín are seeking continuity by pragmatically continuing to develop the "Pacific option" through the strengthening of economic ties with their Chilean and Peruvian peers. The four states of the Alianza Pacífica have signed free trade agreements with the United States and the European Union and represent a market of 100 million consumers. A common market that included Mexico would be bigger, less protectionist and, therefore, possibly more competitive on the global scale than the Brazilian one. Bogotá's parallel strategic approach aims to attract and bind Brazil to the alliance between the region's more liberal economies, but this limited diplomatic coalition would still exclude partly state-directed economies such as Bolivia and Venezuela.

3.4 Venezuela: Competing Leadership through ALBA and "Petro-Diplomacy"

Venezuela has become a revisionist power at the global level (Yopo 2011) and a regional leading power (Boeckh 2003) in South America, classifications which stress the country's "petropolitics" (Clem and Maingot 2011) and its alternative regional integration project, The Bolivarian Alternative for the Peoples of Our America (ALBA) (Williams 2011). Since the beginning of the Hugo Chávez era in 1999, Venezuela has played a pivotal role in the region's in-

tegration dynamics. Chávez has not only activated a South American vocation but he has also tried to enhance Venezuela's position in the Caribbean region. This regional leadership project has hampered and balanced Brazil's regional leadership. In fact, the relationship between both countries oscillates between cooperation and subtle competition (see Romero 2011: 5).

Hugo Chávez's Second Presidential Term (2000–2006)

The idea of ALBA as an "anti-neoliberal" counterproposal to the US-led project of the Free Trade Area of the Americas (FTAA) was presented for the first time at the Summit of the Americas in Venezuela (2001). The diplomatic coalition was founded by Venezuela and Cuba in 2004 and joined by Bolivia two years later.

The *First Development Plan 2003–2007* outlined the idea of exporting the ideals and policies of Chávez's government to the rest of South America. This government document detailed the creation of the ALBA project a "South American NATO," a regional broadcasting company (Telesur) and a development bank (Banco del Sur). To facilitate acceptance for this political project, Venezuela concluded numerous bi- and subregional energy agreements with the Caribbean states (Petrocaribe), the Andean states (Petroandino) and the Southern Cone states (Petrosur) that provide Venezuelan oil at favorable economic conditions. This strategy was intended to generate the asymmetrical economic dependence of small powers on Venezuela, thereby giving the latter the leverage to exert regional leadership.

Most of these regional and extraregional initiatives were possible because President Chávez was able to increase the government's relative autonomy from domestic groups – mainly the opposition, but also the legislative and judicial institutions – after the failed coup d'état in April 2002. This event became a turning point for the implementation of a more radical government agenda at the national, regional and international levels. Domestically, the Bolivarian revolution reached a point of consolidation in 2003, and the extractive capacity of the state to pursue security and foreign policy goals increased with the definitive renationalization of the oil company PDVSA (Raby 2011: 163–164). Moreover, Chávez's politics of extraregional alliances and arms acquisitions from Russia were not only a reflection of how Venezuela perceived its security position in the region, but also a concession to one of its main domestic allies in carrying out the revolutionary project: the armed forces. However, it would be incorrect to interpret these moves as hard balancing against Brazil (Lapp 2012: 154–156). Internal and external balancing were exclusively directed toward the US and the Colombia of Álvaro Uribe, both of which were perceived as security threats for Chávez's government (see Jácome 2011: 3).

Despite President Chávez's alternative claim to regional leadership, relations with Brazil were at their height in 2004. Lula da Silva and Hugo Chávez were the protagonists in the establishment of the South American Community of Nations (later renamed UNASUR) in Cuzco. The common interest of excluding the United States and Mexico from the South American sphere of influence outweighed the competitive constellation, and both states entered into a strategic alliance in 2005. On that occasion 15 agreements in several issue-areas

from trade and finance to energy and military cooperation were signed. Brazil subsequently became Venezuela's third-biggest trade partner and nearly doubled its exports to Venezuela in the following three years (Gonzáles Urrutia 2011: 8).

Once Venezuela had signed the MERCOSUR treaty (2006), the divergences between both governments' projects for South America became visible. Venezuela's resource-based diplomacy made it an alternative partner for smaller countries such as Bolivia, something that gave these states room to maneuver in their bilateral relations with Brazil. The consequence was, for instance, rivalry for influence over Bolivia, which had traditionally been part of the Brazilian sphere of influence. For example, the nationalization of Bolivia's natural gas industry (2006), which affected the Brazilian Petrobras investment, was perceived by Brazil not only as contestation from Bolivia but also as competition for leadership from Venezuela. In fact, President Chávez sent officials from the PDVSA, Venezuela's oil company, to advise and support Bolivian president Evo Morales in the conflict with the Brazilian government.

Chávez's Third Presidential Term (2007–present)

The discovery of fuels in Brazilian territorial waters (2007) will convert Brazil into one of the top-ten oil producers in the world. This potential may increase the competitive character of bilateral relations between Caracas and Brasilia. In the future Brasilia will be able to utilize its material resources to neutralize the oil-based regional initiatives of competing Venezuela.

Venezuela strove to expand the ALBA coalition between 2007 and 2009 by adding six further member states. Among them was Ecuador, which can be seen as the second most important buffer state after Bolivia. At the same time, Brazil began to distance itself from President Chávez's projects without directly confronting his regional initiatives. Projects such as the Bank of the South, the Gas Pipeline of the South, and the South American NATO have since been surpassed or replaced by Brazilian initiatives such as UNASUR and its CDS. Other issues of bilateral dissent have included the fight against transnational drug trafficking and the presence and role of guerilla groups in Colombia. At the first Summit of Latin American and Caribbean Countries (CALC), hosted by Brazil in Costa do Sauípe at the end of 2008, President Chávez reacted to the shifting character of the bilateral relationship by indirectly criticizing Brazil's dominant role: "Brazil's leadership is important, but there should not be only one leader. We need many leaderships in Latin America" (Diario Las Americas, 17 December 2008).

In general, Venezuela's approach to Brazil has been based on focusing on common interests. For instance, the IIRSA, pushed by Brazil and Venezuela, can be realized without political and ideological convergence. A further common interest of Brasilia and Caracas is the exclusion of the United States from South American politics and security affairs. However, Washington is still the most influential external player in South America and delegates some regional responsibility, such as the moderation of Venezuela's anti-status quo goals and actions, to Brazil.

For its part, Venezuela has fostered two groups of external allies. On the one hand, interest coalitions with countries from the Middle East (Iran, Syria) and Eurasia (Belarus, Russia) are characterized by a common "anti-imperialist" approach and the interchange of (defense) technology and common stances in international organizations. On the other hand, partnerships with Asian countries (China, Vietnam, Malaysia) are mainly driven by mutual trade and investment, as well as by the common interest in a multipolar world order. In particular, China and Russia can be seen as strategic partners not only to counterbalance the US but also in the context of Caracas's "omni-enmeshment" approach, as both great powers have the potential to redefine Brazilian interests and alter its positions – for instance, with regard to regional trade and energy issues.

Although still in its early days, the relationship between Brazil and the United States shows signs of closeness under the administration of Dilma Rousseff. In particular, Foreign Minister Antonio Patriota, a former ambassador to Washington, has made the US–Brazilian relationship a cornerstone of his agenda. At the same time, President Rousseff has already stepped away from Venezuelan partners such as Iran's president Ahmadinejad, positioning herself clearly against human rights violations and authoritarian regimes – in contrast to her predecessor. Both developments are likely to trigger politics of contestation on the part of Venezuela.

4 Conclusion

This paper has demonstrated the variation in secondary powers' contestation of Brazil as a regional hegemon in South America. It has also been shown that systemic and historical drivers of contestation are not decisive in explaining the different dynamics of contestation as South America is a unipolar zone of peace without major aggressive rivalries between Brazil and the secondary powers. Nevertheless, these drivers are analytically relevant for delimiting what is agency and what are structural drivers, as well as what constitutes soft and hard balancing as strategies of contestation. Moreover, structural drivers are still applicable analytical categories in other regions of the world, where conflictive settings have become path dependent and where hard balancing is the main means of contesting regional hegemons.

The main strategy used in South America to either directly or indirectly contest Brazil's regional hegemony is soft balancing. Soft balancing is an umbrella strategy comprising different tactics for contesting Brazil's leadership claim. All the country cases outlined here use – with varying intensity – the pool of soft-balancing instruments, such as alliance building, entangling diplomacy, binding, and omni-enmeshment, as a means to contest the regional hegemon.

However, the reasons for the variation in approaches in most cases match the interests of domestic actors in the secondary power countries. The paper's assumption that in regional

orders characterized by relative stability, domestic drivers will contribute considerably to explaining the variation in the strategic responses has been substantiated by the empirical findings for the South American region. It is domestic issues that predominantly shape the goals and motivate the contestation strategies, and thus the regional policy actions, of each country.

Exporters are key to understanding Chile's reluctance to be bound by the regional economic integration projects led by Brazil, its rush to sign FTAs and its participation in the recent formation of the Alliance of the Pacific, which excludes Brazil and thus has political implications for this bilateral relationship. Argentina's foreign policy towards Brazil is driven by protectionist domestic groups and the FPE's misperception of its relative position in the regional structure. These elements are key to understanding the Kirchners' approach of "competitive partnership" or equality with the regional hegemon. In Colombia the 2010 presidential elections led to a strategic reorientation of the regional approach, which now allows, for instance, for the increased influence of the country's industrial and finance sectors on Colombia's foreign economic policy. Venezuela's revolutionary foreign policy has been more intensively diffused to other South American states since the failed coup d'état. This event, along with the referendum that validated the Venezuela's revolutionary model, was a turning point for President Chávez since it increased the government's relative autonomy from domestic groups and made it possible for Chávez to advance the government's regional and international goals.

The secondary powers' use of soft-balancing approaches as a whole is also triggered, first, by Brazil's unwillingness to carry the costs of regional cooperation and its assumption of a merely selective leadership in those sectors that are beneficial to its own interests – that is, its lack of distributional leadership. Second, Brazil has followed a strategy of supremacy preservation in South America by avoiding the building of inclusive and democratic institutions. For Brazil, the provision of multilateral leadership would jeopardize its position at the top of the regional hierarchical order. It is this nonprovision or selective provision of leadership that further motivates secondary powers to contest Brazil's regional hegemony. However, given the conditions of security abundance and relative power symmetry in South America, it is domestic drivers that significantly explain the variations in constestation.

References

Alecu de Flers, Nicole, and Elfriede Regelsberger (2005), The EU and Inter-regional Cooperation, in: Christopher Hill and Michael Smith (eds), *International Relations and the European Union*, Oxford: Oxford University Press, 317–342.

Álvarez, David, and Claudio Fuentes (2007), Chile y Brasil: ¿Aliados sin Frontera?, in: Wilhelm Hofmeister, Francisco Rojas, and Luis Guillermo Solís (eds), *La Percepción de Brasil en el Contexto Internacional: Perspectivas y Desafíos*, 1, Rio de Janeiro: Konrad-Adenauer-Stiftung, 271–292.

Ardila, Martha (2011), *Colombia: Una Potencia Regional Secundaria*, Continuidades y Cambios en su Inserción Internacional, Taller "Reacciones Estratégicas de Potencia Secundarias en Sudamérica", 1 de Diciembre de 2011, Hotel Altamira Continental, Caracas.

Arquilla, John, and Graham E. Fuller (1996), The Intractable Problem of Regional Powers, in: *Orbis*, 40, 4, 609–621.

Bielsa, Rafael (2005), *Statement of the Argentine Minister of Foreign Affairs, UN General Assembly – General Debate,* 18 September, online: <www.un.int/argentina/english/statements/miscelaneous/Bielsa2005.htm#september18> (14 August 2010).

Boeckh, Andreas (2003), *Venezuela: Vom „Quasi-Staat" zur regionalen Führungsmacht und zurück,* Paper presented at the Conference "Führungsmächte in Lateinamerika", Weingarten.

Bromley, Mark, and Iñigo Guevara (2009), Arms Modernization in Latin America, in: Andrew Tan (ed.), *The Global Arms Trade: A Handbook*, London and New York: Routledge, 166–177.

Burges, Sean (2008), Consensual Hegemony: Theorizing the Practice of Brazilian Foreign Policy, in: *International Relations*, 22, 65–84.

Capie, David (2004), Between a Hegemon and a Hard Place: The "War on Terror" and Southeast Asian–US Relations, in: *Pacific Review*, 17, 2, 223–248.

Cardona, Diego (2011), Introducción. ¿Puede tener Colombia una estrategia de política exterior?, in: Diego Cardona (ed.), *Colombia: Una política exterior en transición,* Bogotá: FESCOL, XI–XLI.

Carvajal, Leonardo (2011), El acuerdo de cooperación militar entre Colombia y Estados Unidos: ¿disuasión por soberanía?, in: Diego Cardona (ed.), *Colombia una política exterior en transición*, Bogotá: FESCOL, 273–307.

Clavijo, Sergio (2011), *Brasil y Colombia: ¿Divergencias en crecimiento histórico? Asociación Nacional de Instituciones Financieras (ANIF)*, online: <http://anif.co/> (17 November 2011).

Clem, Ralph, and Anthony Maingot (2011), Introduction: Continuity and Change in Venezuela's Petro-Diplomacy, in: Ralph Clem and Anthony Maingot (eds), *Venezuela's Petro-Diplomacy. Hugo Chávez's Foreign Policy*, Gainesville: The University Press Florida, 1–15.

Cooper, Andrew et al. (1991), Bound to Follow? Leadership and Followership in the Gulf Conflict, in: *Political Science Quarterly*, 106, 3, 391–410.

Destradi, Sandra (2010), Regional Powers and Their Strategies: Empire, Hegemony, and Leadership, in: *Review of International Studies*, 36, 4, 903–930.

Diario Las Américas (2008), Chávez: el liderazgo Brasileño no es el único, 17 December, online: <www.diariolasamericas.com/noticia/68330/chavez-el-liderazgo-de-brasil-no-es-el-unico> (14 November 2011).

Ebert, Hannes, Daniel Flemes, and Georg Strüver (2012), *The Politics of Contestation in Asia*, GIGA Working Papers, 206, online: <www.giga-hamburg.de/workingpapers>.

Ehrlich, Sebastian (2007), Access to Protection: Domestic Institutions and Trade Policy in Democracies, in: *International Organization,* 61, 571–605.

Flemes, Daniel, and Thorsten Wojczewski (2011), Contested Leadership in Comparative Perspective: Power Strategies in South Asia and South America, in: *Asian Journal of Latin American Studies*, 24, 1, 1–27.

Flemes, Daniel, and Detlef Nolte (2010), Alianzas externas en armamento y defensa. Una nueva dimensión en la agenda de seguridad Latinoamericana, in: *Foreign Affairs Latinoamérica*, 10, 1, 22–33.

Flemes, Daniel (2008), *Brasiliens neue Verteidigungspolitik: Vormachtsicherung durch Aufrüstung*, GIGA Focus Lateinamerika, 12, online: <www.giga-hamburg.de/giga-focus/lateinamerika>.

Frente Para la Victoria (2003), *Plan de Gobierno para cada uno de los argentinos*, Buenos Aires.

Fuentes, Claudio (2006), La apuesta por el "poder blando": política exterior de la Concertación, in: Robert Funk (ed.), *El Gobierno de Ricardo Lagos*, Santiago: Diego Portales University Press, 105–122.

Fuentes, Cristián (2009), Balance crítico de la política exterior de Chile 1990–2009, in: Yesko Quiroga and Jaime Ensignia (eds), *Chile en la Concertación (1990–2010). Una mirada crítica, balance y perspectivas*, Santiago: Friedrich Ebert Stiftung, 123–158.

Goertz, Gary, and Paul Diehl (1993), Enduring Rivalries: Theoretical Constructs and Empirical Patterns, in: *International Studies Quarterly*, 37, 147—71.

Goh, Evelyn (2008), Great Powers and Hierarchical Order in Southeast Asia: Analyzing Regional Security Strategies, in: *International Security*, 32, 3, 113–157.

Gonzáles Urrutia, Edmundo (2011), *Las relaciones de Brasil con Venezuela: de la desconfianza a la alianza estratégica*, Working Paper, 15, online: <www.plataformademocrática.org>.

Greenfield Partem, Martin (1983), The Buffer System in International Relations, in: *Journal of Conflict Resolution*, 27, 1, 3–26.

Guadagni, Alieto et al. (2010), *Argentina-Brasil: Llevando la relación a un nuevo nivel*, Buenos Aires: CINDES and Universidad de San Andrés.

He, Kai (2008), Institutional Balancing and International Relations Theory: Economic Interdependence and Balance of Power Strategies in Southeast Asia, in: *European Journal of International Relations*, 14, 3, 489–518.

Herrera Chaves, Benjamín (2010), La proyección regional y mundial de Brasil: un desafío para la política exterior del Estado colombiano, in: Eduardo Pastrana, Stefan Jost, and Martha Lucía Márquez Restrepo (eds), *Más allá de la seguridad democrática: Agenda hacia nuevos horizontes*, Bogotá: Universidad Javeriana and KAS, 481–490.

Hwang, Jihwan (2003), Rethinking the East Asian Balance of Power. Historical Antagonism, Internal Balancing, and the Korean-Japanese Security Relationship, in: *World Affairs*, 166, 2, 95–108.

Ikenberry, G. John (2003), *Strategic Reactions to American Pre-eminence: Great Power Politics in the Age of Unipolarity*, online: <www.odci.gov/nic/confreports_stratreact.html>.

Jácome, Francine (2011), *Seguridad y Defensa en las Relaciones Venezuela-Brasil, Taller "Reacciones Estratégicas de Potencia Secundarias en Sudamérica"*, 1ºde Diciembre de 2011, Hotel Altamira Continental, Caracas.

Jervis, Robert (1976), *Perception and Misperception in International Politics*, Princeton: Princeton University Press.

Jesse, Neal et al. (2012), The Leader Can't Lead when the Followers Won't Follow: The Limitations of Hegemony, in: Kristen P. Williams, Steven E. Lobell, and Neal G. Jesse, *Beyond Great Powers and Hegemons: Why Secondary States Support, Follow, or Challenge*, Stanford University Press, 1–30.

Lapp, Nancy (2012), Resistance is *util* (Useful): Responses to Brazilian Hegemony, in: Kristen P. Williams, Steven E. Lobell, and Neal G. Jesse, *Beyond Great Powers and Hegemons: Why Secondary States Support, Follow, or Challenge*, Stanford University Press, 145–160.

Lobell, Steven (2009), Threat Assessment, the State and Foreign Policy: A Neoclassical Realist Model, in: Steven Lobell, Norrin Ripsman, and Jeffrey Taliaferro (eds), *Neoclassical Realism, the State and Foreign Policy*, Cambridge: Cambridge University Press, 42–74.

Malamud, Andrés (2011a), Argentine Foreign Policy under the Kirchners: Ideological, Pragmatic or simply Peronist, in: Gian Luca Gardini and Peter Lambert (eds), *Latin American Foreign Policies: Between Ideology and Pragmatics*m, New York: Routledge, 87–102.

Malamud, Andrés (2011b), A Leader without Followers? The Growing Divergence Between the Regional and Global Performance of Brazilian Foreign Policy, in: *Latin American Politics and Society*, 53, 3, 1–24.

Mayoral, César (2004), La Argentina y el Consejo de Seguridad de la ONU, in: *La Nación*, 19 July, online: <www.lanacion.com.ar/nota.asp?nota_id=619728> (13 August 2010).

Mullins, Martin (2006), *In the Shadow of the Generals: Foreign Policy Making in Argentina, Brazil and Chile*, Aldershot: Ashgate.

Nolte, Detlef, and Leslie Wehner (2011), *UNASUR and Regional Security in South America*, Paper presented at the Conference on Regional Organisations and Security: Conceptions and Practices, Zürich: ETH Zürich.

Nolte, Detlef (2011), Regional Powers and Regional Governance, in: Nadine Godehardt and Dirk Nabers (eds), *Regional Powers and Regional Orders*, Abingdon: Routledge, 49–67.

Oelsner, Andrea, and Antoine Vion (2011), Friends in the Region: A Comparative Study on Friendship Building in Regional Integration, in: *International Politics*, 48, 1, 129–151.

Pape, Robert A. (2005), Soft Balancing Against the United States, in: *International Security*, 30, 1, 7–45.

Pastrana, Eduardo (2011), *Evolución y perspectivas de las relaciones entre Colombia y Brasil*, Working Paper, 14, online: <www.plataformademocratica.org>.

Paul, T.V. (2005), Soft Balancing in the Age of U.S. Primacy, in: *International Security*, 30, 1, 46–71.

Pedersen, Thomas (2002), Cooperative Hegemony: Power, Ideas and Institutions in Regional Integration, in: *Review of International Studies*, 28, 4, 677–696.

Press-Barnathan, Galia (2006), Managing the Hegemon. NATO under Unipolarity, in: *Security studies*, 15, 271–309.

Raby, Diana (2011), Venezuelan Foreign Policy under Chavez: The Pragmatic Success of Revolutionary Ideology?, in: Gian Luca Gardini and Peter Lambert (eds), *Latin American Foreign Policies: Between Ideology and Pragmaticism*, New York: Routledge, 159–178.

Ripsman, Norrin M. (2009), Neoclassical Realism and Domestic Interest Groups, in: Steven E. Lobell, Norrin M. Ripsman, and Jeffrey W. Taliaferro (eds), *Neoclassical Realism, the State, and Foreign Policy*, Cambridge: Cambridge University Press, 170–193.

Romero, Carlos (2006), *Jugando con el Globo. La política exterior de Hugo Chávez*, Caracas: Ediciones B.

Romero, Carlos (2011), *El impacto de la continuidad y el cambio del liderazgo nacional en la politica exterior de Venezuela, Taller "Reacciones Estratégicas de Potencia Secundarias en Sudamérica"*, 1º de Diciembre de 2011, Hotel Altamira Continental, Caracas.

Rose, Gideon (1998), Neoclassical Realism and Theories of Foreign Policy, in: *World Politics*, 51, 1, 144–172.

Russell, Roberto (2010b), Argentina and The United States. A Distant Relationship, in: Jorge Domínguez and Rafael Fernández de Castro (eds), *Contemporary U.S–Latin American Relations. Cooperation or Conflict in the 21st Century?*, New York: Routledge, 101–123.

Russell, Roberto, and Juan Gabriel Tokatlian (2003), *El lugar de Brasil en la política exterior argentina*, Buenos Aires: Fondo de Cultura Económica.

Schuster, Jürgen, and Herbert Maier (2006), The Rift: Explaining Europe's Divergent Iraq Policies in the Run-up of the American-led War on Iraq, in: *Foreign Policy Analysis*, 2, 223–244.

Schweller, Randall (1994), Bandwagoning for Profit: Bringing the Revisionist State Back, in: *International Security*, 19, 1, 72–107.

Simonoff, Alejandro (2008), La política exterior argentina reciente, con especial énfasis en la relación con Brasil y Estados Unidos, in: Norberto Consani, Alberto Sepúlveda, and Zidane Zeraoui (eds), *Las Relaciones Internacionales de América Latina: Argentina-Chile-México*, Santiago: RiL editores, 27–56.

Spiegel, Steven (1972), *Dominance and Diversity: The International Hierarchy*, Boston: Little, Brown and Company.

Taiana, Jorge (2006), Objectives and Challenges of Argentina's Foreign Policy, in: *Diplomacia, Estrategia & Política*, 4, 5–15.

Taliaferro, Jeffrey (2007), State Building for Future Wars: Neoclassical Realism and the Resource-Extractive State, in: *Security Studies*, 15, 3, 464–495.

Taliaferro, Jeffrey W., Steven E. Lobell, and Norrin M. Ripsman (2009), Introduction: Neoclassical Realism, the State, and Foreign Policy, in: Jeffrey W. Taliaferro, Steven E. Lobell, and Norrin M. Ripsman (eds), *Neoclassical Realism, the State, and Foreign Policy*, Cambridge: Cambridge University Press, 1–41.

Thies, Cameron (2008), The Construction of a Latin American Interstate Culture of Rivalry, in: *International Interactions*, 34, 231–257.

Treverton, Gregory, and Seth G. Jones (2005), *Measuring National Power*, Santa Monica, CA: RAND Corporation.

Tsebelis, George (2002), *Veto Players: How Political Institutions Work*, Princeton: Princeton University Press.

Vieira, Edgar (2010), Los desafíos para la integración de Colombia en el sistema internacional, in: Eduardo Pastrana, Stefan Jost, and Martha Lucía Márquez (eds), *Más Allá de la Seguridad Democrática, Agenda para Nuevos Horizontes*, Bogotá: Editorial Javeriana/KAS, 55–68.

Villar, Andrés (2006), Chile y sus Vecinos. Una Integración compleja, in: Robert Funk (ed.), *El Gobierno de Ricardo Lagos*, Santiago: Diego Portales University Press, 125–144.

Waltz, Kenneth (1979), *Theory of International Politics*, Reading, Mass.: Addison-Wesley.

Wehner, Leslie (2011a), Roles and Actions of Leadership: Brazil and the South American others, in: Nadine Godehardt and Dirk Nabers (eds), *Regional Powers and Regional Orders*, Abington: Routledge/Garnet, 137–154.

Wehner, Leslie (2011b), Chile's Rush to Free Trade Agreements, in: *Revista de Ciencia Política*, 31, 2, 207–226.

Wehner, Leslie (2011c), Developing Mutual Trust: The Othering Process between Bolivia and Chile, in: *Canadian Journal of Latin American and Caribbean Studies*, 36, 71, 109–138.

Williams, Mark (2011), The New Balancing Act: International Relations Theory and Venezuela's Foreign Policy, in: Thomas Ponniah and Jonathan Eastwood (eds), *The Revolution in Venezuela*, Cambridge, Mass.: The David Rockefeller Center Series on Latin American Studies-Harvard University, Harvard University Press, 257–278.

Yopo Herrera, Mladem (2011), *China y América Latina: una relación positiva con varias interrogantes*, Friedrich Ebert Stiftung, Programa de Cooperación en Seguridad Regional.

Zakaria, Fareed (1992), Realism and Domestic Politics: A Review Essay, in: *International Security*, 17, 1, 177–198.

Zelicovich, Julieta (2011), *Las relaciones económicas de Argentina con China, ASEAN, Japón e India durante el gobierno de Néstor Kirchner y Cristina Fernández de Kirchner (2003–2010)*, Obstáculos, ventajas y oportunidades del vínculo, CAEI Working Paper, 57, Buenos Aires: Centro Argentino de Estudios Internacionales, online: <www.caei.com.ar/es/programas/asia/57.pdf> (5 September 2011).

GIGA Working Papers
German Institute of Global and Area Studies
Leibniz-Institut für Globale und Regionale Studien

Recent Issues

No 206: Hannes Ebert, Daniel Flemes and Georg Strüver: The Politics of Contestation in Asia: How Japan and Pakistan Deal with their Rising Neighbors, September 2012

No 205: Carlo Koos and Matthias Basedau: Does Uranium Mining Increase Civil Conflict Risk? Evidence from a Spatiotemporal Analysis of Africa from 1945 to 2010, September 2012

No 204: Martin Beck and Simone Hüser: Political Change in the Middle East: An Attempt to Analyze the "Arab Spring", August 2012

No 203 Martin Beck and Simone Hüser: Political Change in the Middle East: An Attempt to Analyze the "Arab Spring", August 2012

No 202 Sandra Destradi and Johannes Vüllers: The Consequences of Failed Mediation in Civil Wars: Assessing the Sri Lankan Case, August 2012

No 201 David Shim: Seeing from Above: The Geopolitics of Satellite Vision and North Korea, August 2012

No 200 David Shim and Patrick Flamm: Rising South Korea – A Minor Player or a Regional Power?, July 2012

No 199 Sabine Kurtenbach: Postwar Youth Violence: A Mirror of the Relationship between Youth and Adult Society, July 2012

No 198 Jann Lay, Janosch Ondraczek and Jana Stoever: Renewables in the Energy Transition: Evidence on Solar Home Systems and Lighting-Fuel Choice in Kenya, July 2012

No 197 Alexander Stroh, Sebastian Elischer and Gero Erdmann: Origins and Outcomes of Electoral Institutions in African Hybrid Regimes: A Comparative Perspective, June 2012

No 196 Daniel Neff, Kunal Sen and Veronika Kling: The Puzzling Decline in Rural Women's Labor Force Participation in India: A Reexamination, May 2012

No 195 Alexander De Juan: Institutional Conflict Settlement in Divided Societies: The Role of Subgroup Identities in Self-Government Arrangements, May 2012

No 194 Karsten Giese and Alena Thiel: When Voicelessness Meets Speechlessness – Struggling for Equity in Chinese-GhanaianEmployment Relations, May 2012

No 193 Nele Noesselt: Chinese Perspectives on International Power Shifts and Sino-EU Relations (2008–2011), April 2012

All GIGA Working Papers are available free of charge at <www.giga-hamburg.de/workingpapers>.
For any requests please contact: <workingpapers@giga-hamburg.de>.
WP Coordinator: Melissa Nelson

GIGA German Institute of Global and Area Studies / Leibniz-Institut für Globale und Regionale Studien
Neuer Jungfernstieg 21 • 20354 Hamburg • Germany
E-mail: <info@giga-hamburg.de> • Website: <www.giga-hamburg.de>