Backgrounder

UNASUR and Security in South America

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Summary

The South American region has been experiencing various local as well as transnational security challenges including illegal drug trafficking, increased crime rates, illegal firearms, extreme levels of social inequality and poverty. It is in order to develop a cooperative mechanism for resolving these challenges that the Union of South American Nations (UNASUR) was created. The UNASUR is a regional organisation formed by 12 South American states that are united by shared history, religion, common culture and language. Over the years, UNASUR has had some significant achievements to its credit: limiting defence expenditure, reducing crime, promoting democratic institutions, integrating energy and financial systems, handling constitutional crises in Ecuador and Paraguay, and settling dispute between Venezuela and Colombia. But at the same time, there are some other challenges that are testing its credibility. This Backgrounder details the various security challenges faced by South America and UNASUR's role in addressing them.

Introduction

The South American region has been experiencing various local as well as transnational security challenges including illegal drug trafficking, increased crime rates, illegal firearms, extreme levels of social inequality and poverty. It is in order to develop a cooperative mechanism for resolving these challenges that the Union of South American Nations (UNASUR) was created. The UNASUR is a regional organisation formed by 12 South American states that are united by shared history, religion, common culture and language.[1] Over the years, UNASUR has had some significant achievements to its credit: limiting defence expenditure, reducing crime, promoting democratic institutions, integrating energy and financial systems, handling constitutional crises in Ecuador and Paraguay, and settling dispute between Venezuela and Colombia. But at the same time, there are some other challenges that are testing its credibility. This Backgrounder details the various security challenges faced by South America and UNASUR's role in addressing them.

Precursors to UNASUR in South America

Regional integration is not a new phenomenon to South America. In fact, efforts were made to integrate these nations into a single bloc as early as the 19th century after their liberation from Spanish and Portuguese colonial rule. However, nationalist sentiments and divergent interests between liberals and conservatives prevented these efforts from attaining fruition. The interference of the United States in South American affairs to promote its own interests in the region further complicated the integration process. As a result, the region had to wait until the middle of the 20th century when three regional groupings emerged. The Andean Community of Nations (CAN) was formed in 1969 as a customs union to allow the free movement of people and build institutions for South American integration. MERCOSUR was formed in 1991 to promote economic and political goals such as free trade and movement of goods, people, and currency. And in 2004 the Bolivarian Alliance for the Peoples of Our America (ALBA) was formed to offer an alternate approach, devoid of US influence, for socio-economic and political integration between Latin America and the Caribbean. However, these efforts yielded little success because of overlapping membership and clash of economic interests. Thereafter, UNASUR was envisioned as an overarching entity to remove duplication of purposes, conflicting interests, overlapping memberships and to achieve coordination at various levels so that integration is taken to its highest manifestation.

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[1]　The 12 countries are Bolivia, Colombia, Ecuador and Peru, which are members of a customs union called the Andean Community of Nations (CAN); Argentina, Brazil, Paraguay, Uruguay and Venezuela, which formed a southern common market, the MERCOSUR; and, Chile, Guyana and Suriname.

Formation of UNASUR

It took nearly a decade for UNASUR to finally come into legal force since the integration strategy of creating an institution that would cater to achieve overall development of the continent rather than simple economic integration was first mooted by Brazil during the first South American Summit at Brasilia in August 2000.[2] This intention was reiterated during the second South American Summit held in Guayaquil (Ecuador) in July 2002. However, it was during the third South American Summit in Cusco (Peru) on December 8, 2004 that the presidents of all 12 South American nations signed the Cusco Declaration, formally announcing the decision to form a South American Community of Nations (CSN) by gradually merging the Andean Community and MERCOSUR along with Chile, Guyana and Suriname.[3] At the same time, the formation of a South American community was viewed with scepticism since it was perceived as another "rhetorical flourish about the supposed ties that bind the nations of the region together".[4]

Following the Cusco Declaration, two successive meetings were held in which the South American community focused on socio-economic inequalities of the region, especially removal of poverty. Meantime, during the Margarita Island Summit in April 2007, the name of the community was changed from CSN to UNASUR. Finally, it was during the third Summit of Heads of State in Brasilia on May 23, 2008 that the South American nations signed the Constitutive Treaty to constitute UNASUR as "an entity with international juridical character".[5]

Institutional Structure

The Constitutive Treaty elaborates the structure and different organs of the union. According to the treaty, UNASUR is structured around four main organs: the Council of Heads of State and Government, Council of Ministers of Foreign Affairs, Council of Delegates, and the General Secretariat. Apart from these organs, UNASUR has several Sectoral councils dealing with specific issues such as energy, social development, health, education, drug trafficking, etc. In addition, the South American Parliament is proposed to be created in

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[2] Petr Kašpar (2011), *The Logic of UNASUR: Its Origins and Institutionalization,* Aalborg University, Denmark, at http://projekter.aau.dk/projekter/files/53154638/The_LOGIC_OF_UNASUR.pdf, accessed October 3, 2012.

[3] "Cusco Declaration on the South American Community of Nations", *Comunidad Andina,* at http://www.comunidadandina.org/ingles/documentos/documents/cusco8-12-04.htm, accessed October 3, 2012.

[4] Joseph S. Tulchin, *Thinking Ahead on UNASUR,* Harvard University, at http://www.joetulchin.com/site/DEF2.pdf, accessed October 7, 2012.

[5] "South American Union of Nations Constitutive Treaty", *Comunidad Andina,* at http://www.comunidadandina.org/ingles/csn/treaty.htm, accessed October 3, 2012.

Cochabamba, Bolivia and a Permanent Secretariat is to be established in Quito, Ecuador. The Constitutive Treaty required at least nine ratifications to enter into legal force, which was achieved on March 11, 2011 after it was ratified by Uruguay.

Experience of UNASUR

Since its establishment, UNASUR has achieved remarkable progress in different areas of cooperation like security and defence, democratic stability, energy and financial integration, and institution building. It was also successful in restoring strained ties between Colombia and Venezuela, upholding the sovereign rights of Ecuador against interference by the United Kingdom and monitoring the democratic process in member countries such as Guyana and Venezuela. These achievements are elaborated in following paragraphs.

1. Defence Cooperation

Defence cooperation is the most significant aspect of any cooperative security architecture. It is particularly important in South America given the vastness of area, high demand for regional resources, huge population and multiple security challenges. Accordingly, the need to create a regional security architecture for South America was reinforced in different declarations like the 2002 Guayaquil Declaration and the 2006 Bogota Declaration. But a concrete proposal in this regard came only during the third South American Summit in Brasilia in 2008, when Brazil formally proposed the creation of a South American Defence Council (CDS/SADC) to promote defence cooperation and coordination among the countries of the region. At the same time, one of the specific objectives of the Constitutive Treaty signed that year pertained to exchange of information and experiences in matters of defence. Accordingly, SADC was created as one of the key sectoral councils of UNASUR.

The SADC was formed based on the principles of "non-intervention, sovereignty and territoriality".[6] It was constituted by the Ministers of Defence of the member countries and meets annually. The Statute of the SADC, which defines its nature, objectives and main goals, was signed at an extraordinary summit held in Brazil and additional details were adopted during the first meeting of the Defence Ministers in Santiago on March 10, 2009. It was stated in these meetings that the SADC was created as part of the UNASUR for promoting political dialogue and cooperation in defence matters among member states; "it is neither a military alliance nor a defence organisation".[7] It was further added that the SADC would strive to achieve objectives such as establishing a zone of peace in South

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[6]   Petr Kašpar (2011), no. 2.

[7]   José Antonio Sanahuja (2012), "Post-liberal regionalism in South America: the case of UNASUR", *EUI Working Paper RSCAS 2012/05,* European University Institute, Italy, at http://www.academia.edu/1369985/Post-liberal_regionalism_in_South_America_the_case_of_UNASUR, accessed October 4, 2012.

America free of nuclear weapons and other weapons of mass destruction; creating an independent identity for the region in defence matters; and reinforcing regional cooperation for the sovereign control of natural resources.[8]

At the same time, it was realized that suspicion among the member countries regarding each other's military intentions, modernisation plans and alliances resulted in limited collaboration in this critical sector.[9] Therefore, the 2009-2010 Action Plan, adopted during the first meeting of the Defence Ministers in 2009, also emphasized on guaranteeing transparency in military spending by sharing defence information such as expenditure on defence procurement and military training. The Action Plan also stated that the SADC would enhance cooperation by taking a collective regional position in multilateral defence forums, coordination in mine removal and other activities, and providing assistance for peace missions and also during natural disasters. Besides, the 2012 Action Plan, endorsed by the Defence Ministers in November 2011, includes specific initiatives for cooperation such as "feasibility studies for a South American built basic training aircraft, led by Argentina; an unmanned aerial vehicle (UAV), led by Brazil; the armoured vehicles "Gaucho" and "Guaraní"; and further cooperation for the future Brazilian Embraer C-390 military transport aircraft".[10]

In order to create a regional military doctrine and develop common mechanisms for transparency in defence policy and spending, UNASUR created a think-tank called Center for Strategic Defence Studies (CEED) during the summit in Guayaquil (Ecuador) in May 2010. Each member country of the CDS was permitted to send up to two delegates to CEED, appointed by their respective ministries of defence. During its meeting in Quito, Ecuador on May 10, 2012, CEED released its latest report, detailing each country's military spending for the period 2006-2010. The report concluded that defence spending in the region is one of the lowest in the world, constituting 0.91 per cent of GDP on average.[11] It mentioned that during 2006-2010, UNASUR countries spent a total of US$ 126 billion on defence. Further, the report indicated that Brazil had the highest share of 43 per cent of the region's defence spending, followed by Colombia with 17 per cent and Venezuela with 11 per cent. The report also detailed expenditure under various headings: 58.7 per cent was spent on personnel, 23.5 per cent on operations, 17.3 per cent on investment,

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[8]   Ibid.

[9]   The agreement signed in August 2009 between Colombia and the United States to allow the latter to establish military bases on Colombian soil and the 2011 agreement for modernising Argentinean missiles with Brazilian technology were viewed with suspicion in the region.

[10]   José Antonio Sanahuja, no. 7.

[11]   "Unasur defence spending one of the lowest in the world: average 0.91% of GDP", *Merco Press*, May 14, 2012, at http://en.mercopress.com/2012/05/14/unasur-defence-spending-one-of-the-lowest-in-the-world-average-0.91-of-gdp, accessed October 7, 2012.

and 0.5 per cent on research. At the same meeting, the ministers pledged for further military integration and proposed the creation of a Citizen Security Council.[12] These measures indicate that security in defence matters was provided the highest priority in South American integration with increased mutual trust.

2. Crime and Security

Crime is a major security challenge for South America as the region is vulnerable to local as well as transnational criminal activities flowing from illegal drug trafficking, illegal arms trade and human trafficking across borders. Countries such as Colombia, Peru and Bolivia are the primary producers and consumers of narcotics while Ecuador is known for the production of poppy and marijuana. Of late, there is increased concern for a fresh look at the whole issue of how to combat trade in these illegal activities which have become more violent and highly rewarding, with some suggesting decriminalisation of certain drugs.[13] The ways and means of fighting crime and other security issues in South America was essentially discussed during a meeting of foreign, defence, justice and interior ministers in Cartagena, Colombia on May 3, 2012, and it was agreed to create a security council for the same, especially transnational organized crime. It needs to be seen how the new council would perform, given the past record which was highlighted by former Secretary General of UNASUR, María Emma Mejía, who considers that "the war on drugs has failed", adding that "Drug trafficking is something which requires more than a war to be solved".[14]

3. Democratic Stability

In the past, South America was mostly ruled by military and undemocratic regimes which denied political education and rights to a majority of their citizens. This affected the development of a healthy political culture. Therefore, democracy as a political system was given special importance in the current integration process. To guard against repeated assaults on democracy, UNASUR has devised a response mechanism using which it has intervened in member countries on a number of occasions to prevent non-democratic attempts at overthrowing democracy such as during the Bolivian crisis of August 2008, the Honduran coup in June 2009 and the Ecuador coup in September 2010. Especially after the coup in Ecuador, UNASUR convened an emergency meeting in Argentina and adopted a "democracy clause" to the Constitutive Treaty, which affirmed the union's

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[12]   Ibid.

[13]   During the sixth Summit of the Americas held at Cartagena, Colombia, between April 14 and 15, 2012, the Guatemalan President Otto Perez Molina forwarded a proposal for drug legalisation, arguing that legalising illicit drugs would eliminate smuggling and crime factors associated with that problem.

[14]   Sebastião Martins (2012), "UNASUR secretary general deems war on drugs a 'failure'", *Pulsamerica,* June 4, 2012, at http://www.pulsamerica.co.uk/2012/06/04/central-america-unasur-secretary-general-deems-war-on-drugs-a-failure/, accessed October 12, 2012.

"strong commitment for the preservation of democratic institutions, rule of law, constitutional order, social peace and full respect for human rights".[15] Later, in November 2010, UNASUR convened a meeting in Georgetown (Guyana) where the member states threatened to apply sanctions against nations violating democratic principles, measures ranging from suspension of membership and closing of border to suspending specific services like air traffic, trade, energy and other essential supplies.[16]

Despite these threats, a "parliamentary coup" was hatched in Paraguay in June 2012, when the National Congress replaced the democratically elected President, Fernando Lugo, with Federico Franco. Reacting strongly to this development, UNASUR immediately suspended Paraguay's membership and clarified that suspension would not be revoked until constitutional order and the rule of law are restored in Paraguay. Member states like Brazil, Argentina and Uruguay also withdrew their ambassadors from Paraguay.[17] Further, Ecuador suggested the closing of borders while Venezuela stopped oil supplies to Paraguay. However, economic sanctions were not imposed against Paraguay because of opposition from Argentina on humanitarian grounds.

Since the conduct of free and fair elections is an essential mechanism by which the roots of democracy can be strengthened in the region, an Electoral Council of UNASUR was created in 2011 to observe elections in member countries and report abuses. The Council sent its first observation mission to Guyana to oversee its November 2011 elections. Recently, the extraordinary meeting of the Council of Foreign Ministers of UNASUR, held in Bogota on June 11, 2012, adopted an agreement signed between the National Electoral Council (CNE) of Venezuela and the UNASUR, inviting UNASUR as an official international accompanier to monitor the October 7, 2012 presidential elections in Venezuela.[18] Accordingly, UNASUR sent a 40-member technical observers' mission under former Argentine Vice-president Carlos Alvarez and general coordinator Alejandro Tullio to monitor the elections. These measures indicate that there is a strong commitment towards strengthening democratic regimes and institutions in South America.

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[15]   Olivia Kroth (2012), "UNASUR: A Latin American success story", *Pravda,* July 5, 2012, at http://english.pravda.ru/world/americas/05-07-2012/121567-unasur_success-0/, accessed October 5, 2012.

[16]   Ibid.

[17]   Matt Moffett and Shane Romig (2012), "Paraguay's Neighbors Protest Swift Removal of Leader", *The Wall Street Journal,* June 24, 2012, at http://online.wsj.com/article/SB10001424052702304458604577486900025505394.html, accessed October 12, 2012.

[18]   "UNASUR Accord on Elections a Big Step for Latin American Democracy", *Embassy of the Bolivarian Republic of Venezuela,* August 23, 2012, at http://venezuela-us.org/2012/08/23/unasur-accord-on-elections-a-big-step-for-latin-american-democracy/, accessed October 3, 2012.

4. Economic Security

Security is viewed from the economic perspective as well to include the movement of goods, people and currency across borders in a free and secure environment. The free movement of goods, people and currency across borders enables greater understanding of each others' requirements and provides a sense of belonging. That is why it is argued that integration in any region cannot be complete without linking economic systems of the member countries. As a result, UNASUR is promoting a broader agenda of financial and economic integration in South America. In this regard, Venezuela suggested the creation of an exclusive "Bank of the South" for the region to prevent "South American de-capitalisation" by harmonizing accounts of the member countries to promote simplified and uniform trade practices, and creating an emergency fund to balance fluctuations in the monetary system.[19] At the same time, the bank would finance various developmental projects in member countries. The bank was officially started in September 2009 in Caracas with seven members: Argentina, Bolivia, Brazil, Ecuador, Paraguay, Uruguay and Venezuela and a paid-in capital of US$ 20 billion to be used for funding social and economic infrastructure projects and also for responding to emergency situations such as natural disasters.[20] In order to further integrate South American economies, UNASUR formed an Economic and Finance Council at a meeting in Lima, Peru in August 2011 and a Board of Economy and Finance during its summit in Buenos Aires, Argentina.

5. Energy Security

Energy is a crucial sector of South America because of ever-increasing demand and corresponding instability in oil markets. There already exists energy cooperation among South American states: Guyana and Suriname have signed PetroCaribe agreements with Venezuela; and the Brazilian state of Roraima is buying hydro-electricity from neighbouring Venezuela. There is also in-principle approval for the planned joint gas pipeline among Argentina, Bolivia, Brazil and Venezuela.[21] However, there is growing concern about energy security in South America, especially after Brazil's energy crisis in 2001, the Argentine crisis during the past few years, and the bilateral dispute between Argentina and Chile over supply contracts. As a result, the Energy Council of South America was created by the Declaration of Margarita on April 17, 2007 to enhance energy collaboration among South American countries; it was later brought under the auspices of the UNASUR. It was also proposed in 2009 to create a mechanism under UNASUR to resolve energy disputes involving member states.

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[19]   Olivia Kroth, no. 15.

[20]   Petr Kašpar, no. 2.

[21]   Olivia Kroth, no. 15.

Recently, the third UNASUR Energy Council meeting was held in Caracas on May 18, 2012 wherein it was agreed to constitute an ad hoc group for working out the modalities of the proposed South American Energy Treaty to protect energy resources of the region.[22] The Energy Council also agreed to continue its cooperation with the Latin American Energy Organisation (OLADE) in activities aimed at energy integration. It was further agreed to assess the possibility of creating an Investigations' Institute of UNASUR, as a common platform for sharing of knowledge in matters related to energy, to enhance technological training and development of the region.

6. Initiatives associated with Security

In addition, there are certain incidents in which UNASUR took a proactive role to enhance overall security of the region. These incidents are

i.   Recognising that free movement of people across borders without any requirement of visa and other documents is an essential component of human security, UNASUR, in its meeting of Foreign Ministers held in Quito in May 2011, examined an Agreement for the exemption of visas and the use of Identification Cards for South American citizens. However, nothing substantial emerged out of this meeting.

ii. UNASUR also played a role in restoring diplomatic relations between Colombia and Venezuela, which were severed after the latter's supposed sheltering of rebel groups fighting against Colombian authorities.[23] Following the breakdown of relations in July 2010, the foreign ministers of UNASUR met in Quito to find a peaceful solution to the dispute. During the meeting, Colombia insisted that it needs the support of member countries for preventing rebel groups from taking refuge abroad and fighting a proxy war. When this was assured, peaceful relations between Colombia and its neighbours, Ecuador and Venezuela, were restored. The replacement of Alvaro Uribe with Juan Manuel Santos as President of Colombia further contributed to the improvement in relations.

iii. Upholding the sovereign rights of member countries to manage their affairs independently during an extraordinary meeting of foreign ministers on August 19, 2012, UNASUR unanimously supported the Ecuadorian government's decision to

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[22]   Odeen Ishmael (2012), "UNASUR Advances Defence Transparency and Energy Integration", *Guyana Journal*, June 2012, at http://www.guyanajournal.com/ UNASUR_Defense_Transparency_Odeen_ Ishmael.html, accessed October 7, 2012.

[23]   Colombia accused Venezuela that it was providing shelter to nearly 1500 members of the left-wing rebel groups – the Revolutionary Armed Forces of Colombia (FARC) and National Liberation Army (ELN) – which have been fighting the Colombian authorities since the 1960s. "Unasur addresses Venezuela's rift with Colombia", *BBC News*, July 30, 2010, at http://www.bbc.co.uk/ news/world-latin-america-10799546, accessed October 14, 2012.

provide asylum to the founder of Wikileaks, Julian Assange, against the wishes of the UK.[24] The meeting also condemned the UK Foreign Minister William Hague's threats to the Embassy of Ecuador in London and interference in the sovereign right to manage the asylum policy of a South American country.

Challenges for UNASUR

From the above discussion, it can be concluded that UNASUR was successful in addressing various security challenges efficiently when compared with other former institutions of the region. However, there are certain issues, which UNASUR needs to address in order to be a relevant body for South American integration in the 21st century.

One of the major challenges that has tested the credibility of UNASUR is the conflicting strategic interests pursued by the region's major countries – Brazil, Chile, Colombia, Argentina and Venezuela. These clashes of interests have undermined the level of cooperation and integration in the region. Therefore, the Union needs to devise methods for accommodating these conflicting interests in a mutually beneficial manner in order to prevent tensions. This can be achieved by emphasizing upon shared values, cultural ties and security linkages.

The influence of extra-regional powers, chiefly the United States, on regional developments is another challenge. The United States has been interfering in regional affairs over years through both bilateral agreements as well as through regional organisations like the Organization of American States (OAS). This has resulted in the externalisation of domestic issues and delayed their peaceful resolution. It is therefore imperative that these extra-regional influences be kept in check. Though the role of the United States cannot be ignored in South American politics because of its geo-political location and historical factors, it has to be reduced to the minimum extent possible by finding regional solutions for regional problems and encouraging regional players to take a proactive role in regional issues.

Another challenge for UNASUR is the lack of sufficient infrastructure to help improve communication and connectivity in the region. The creation and integration of regional infrastructure was given due attention to begin with through the Initiative of the Integration of the Regional Infrastructure in South America (IIRSA) in 2000 during the first South American summit. However, when UNASUR was formed, it was conceived that instead of creating duplicate infrastructure, existing infrastructure would be utilised to perform various tasks of the union. Nevertheless, in reality, inadequate infrastructure has compelled

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24 "UNASUR unanimously backs Ecuador and condemns UK", *The Santos Republic,* August 19, 2012, at http://thesantosrepublic.com/2012/08/breaking-news-unasur-unanimously-backs-ecuador-and-condemns-uk/, accessed October 7, 2012.

the union to underperform its responsibilities. It is to be mentioned here that the proposed South American Parliament and the Permanent Secretariat have not been established as yet, which would have taken integration to new heights altogether.

Other challenges for UNASUR include reducing the prevalent high levels of poverty in South America by productively using natural resources like oil, water, mineral and agricultural resources. There is also a need to expand internal markets in member countries so that regional trade is improved and economic complementarities are achieved.

To address these issues collectively, it is necessary to build confidence among member nations by avoiding political or strategic controversies. At the same time, the integration process should be given an international dimension by linking the process with the international community as was done in October 2011 when UNASUR joined the United Nations as an observer. To conclude, UNASUR constitutes, as Argentinean Defence Minister, Arturo Puricelli, feels, "a thorough expression of a new multilateralism that progressively consolidates the South American space".[25]

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[25]   "Defense Minister remarks on role of UNASUR in foreign affairs", *Telam,* August 14, 2012, at http:/ /english.telam.com.ar/index.php?option=com_content&view=article&id=15959:defense-minister-remarks-on-role-of-unasur-in-foreign-affairs&catid=36:foreign-affairs, accessed October 7, 2012.