ANALYSIS

FES TRANSFORMACIÓN

Beyond Neo-Extractivism: Challenges and Opportunities for Active International Insertion in Latin America

Klaus Bodemer

- We are at present witnessing changes happening at breakneck speed in the international arena, the contours of which are not yet clear. The global power center of gravity is moving from West to East. The lack of any alternative beyond the horizons of capitalism has brought to the fore the question as to which strain of capitalism is the best to guarantee welfare, political stability, security, and social harmony.

- Latin America's position in this new order is ambivalent. Over the past 15 years, the region has, on the one hand, gained a foothold on the international stage, albeit with its growth capacity and insertion in the global economy subject to certain conditions; on the other, the region has been shaped by its longstanding role in the international division of labor, external constraints, limitations on financing investment, and recurring balance-of-payments crises.

- Understood as a springboard to the international market, Latin American integration, starting in the 1980s, has shifted profoundly. Nowadays, it is more heterogeneous than in the past, and the region more fragmented than ever before. Nor do Brazil and Mexico, as the key power brokers in the region, have at their disposal the political and economic resources they need to wield regional or subregional leadership or project themselves dynamically beyond the region. Looking at the avalanche of new trade agreements, it is increasingly obvious that they must be compatible and tied to other policy frameworks in the international sphere, first and foremost, to the broader debate on development strategies, as has been discussed in a series of recent documents published by the United Nations.

- In order to implement a structural transformation approach with an eye to more sustainable and inclusive development, it is essential to overcome the extractivist model and the "raw materials curse," diversify and upgrade productive structures, and root them in productive development policies, helped along and supported by much more active education, science, and innovation policies.

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1. The emergence of a new world dis(order): From the Western world to decentered globalism and a G-Zero world

1.1. The emergence of multiple power centers without global leadership

We are now witnessing a dizzying process of change in the international sphere. Many observers talk of the end of an era, of the rise of a new world order whose nature is not yet fully formed. Notable among the great transformations of the international system are the rise of China; mega-regional trade agreements; demographic changes and migration; and the worsening of the environmental crisis, especially climate change and acceleration of the technological revolution. All these phenomena underscore the necessity of advancing towards a style of sustainable development with greater equality. Notable among geopolitical trends are the rise of "the rest," with the preeminence of China; unrest in the Middle East; the United States' growing loss of power; and the redesign of Europe. While the United Nations (UN) Security Council continues to be dominated by the winners of World War II, emerging countries from the Global South have attempted to redouble their efforts for acquiring greater influence on the world stage over the past decade. However, a truly consistent alternative to the Western order has not yet come into being, despite the United States having lost power; the European Union (EU) and Japan being at a standstill; and countries including China, India, Brazil, Russia, Turkey, and Indonesia simultaneously flexing their muscles, expanding their influence, and insisting louder on multilateral institutions. The hypothesis of a transfer of power to the BRICS (Brazil, Russia, India, China, and, since 2012, South Africa) is not convincing, as these powers lack a joint vision. Although they share some common ground, economic interests and controversial politicians have so far complicated intra-BRICS relations and consistent South-South strategies (Kappel & Pohl, 2013; Bodemer, 2014). To date, Asia under the supremacy of China has not been able to replace the West's values, ideas, pluralist societies, and democratic institutions, despite its impressive economic power (Rachman, 2017). This deficit tends instead to increase with the deceleration of growth of the group's members. However, twenty years after Princeton University's John Ikenberry's (1996) affirmation that the liberal Western world order is still robust, his statement seems like it is from another world. The same is true for Ikenberry's most recent article on the "The Illusion of Geopolitics: The Enduring Power of the Liberal Order" (2014). We are witnesses to the simultaneous emergence of multiple power centers with regional and global aspirations, characterized by a lack of global leadership (Stewart, 2014). According to Ian Bremmer (2013, p. 5), we live not in the world of the G8, nor in that of the G20, but rather in a G-Zero world. We are present at the dawning of a new age of a more plundering nature in terms of rights; and in which a new, more atomized and unpredictable regional and global scenario is emerging. To paraphrase the title of one of Ian Bremmer's books, Every Nation for Itself (2012), it is an "unruled world" (Stewart, 2014). There is still a certain hierarchy, with the UN Security Council at the top, but international politics presents (as the realism theory of international relations suggests) anarchic characteristics, under the influence of states that recognize no higher authority. The demand for international cooperation has not diminished. In fact, it is greater than ever, thanks to the endemic failure of the Security Council to suitably mediate large-scale conflicts, but also due to the multiple challenges implied by deepening economic interdependence, worsening environmental degradation, proliferating transnational security threats, and accelerating technological change. However, most cooperative multilateral bodies, even those that are binding under international law, lack real power to enforce compliance with collective decisions. What passes for governance is therefore an ungainly patchwork of formal and informal institutions (Stewart, 2014, p. 3). Effective multilateral responses instead occur outside formal institutions, and frustrated actors end up preferring informal and unconventional paths that lead them to put up with ad hoc and piecemeal solutions, in other words, with "good enough global governance" (Stewart, 2014).

1.2. From a core-periphery order to a decentralized order and competing versions of capitalism

Dominant global economic and societal trends exacerbate the contradictions of a development style that has predominated for more than two centuries, but that has now become unsustainable. The old world — characterized by the emergence of modernity during the "long 19th century" (Hobsbawm, 1962), a configuration between industrial capitalism, rational-bureaucratic states, and new ideologies of progress — made the "rise of the West" possible in the 19th and 20th centuries, as well as the construction of a highly unequal global political economy (Buzan & Lawson, 2013). This same configuration is today allowing the "rise of the rest," as Buzan and Lawson have recently underscored (2014, pp. 71ff.). The center of gravity of world power is gradually shifting from West to East or, more precisely, from the triangle formed by the United States, the European Union, and Japan to the emerging powers of the South, with China leading the way, followed by India, Brazil, and South Africa, as well as some "next-wave" countries such as Indonesia, Turkey, Mexico, Colombia, and Argentina. As a result of this process, the power gap that has been the basis of the international core-periphery order for centuries is closing, gradually replacing the old order with a decentered order in which no power, or network of powers, is preeminent, a completely new phenomenon. This new world of decentered globalism implies that the ideological differences between the large powers are constantly being reduced, while the gap between core and periphery is closing simultaneously (Buzan & Lawson, 2014, p. 72).

The four decades of the Cold War were marked by the competition between capitalism and socialism and a strong ideological tone. During the first decade after the end of the Cold War, the course of the socialist camp was impacted by the illusion of the "end of history" (Fukuyama, 1992). Today, the debate is focused on asking what type of capitalism is the best guarantor of welfare, political stability, security, and social harmony. The lack of a concrete alternative beyond capitalism brings with it a certain convergence between large rivals. For example, China is not an absolute enemy or friend of the United States, but both at the same time: economically it is a partner, while politically it is a rival. Once again, according to Buzan and Lawson (2014, p. 91), this is a good message. On the other hand, what is less positive is the fact that although states are supported by more or less comparable power resources, these resources are embedded into a broad spectrum of governance structures, which brings to the fore the question of how to manage relationships between the four main modes of capitalist governance: liberal democratic, social democratic, competitive authoritarian, and state bureaucratic (Buzan & Lawson, 2014, p. 72). This involves the differentiation of archetypes that are expressed on a continuum rather than in a truly pure form, due to the fact that most states tend to occupy hybrid forms. Contemporary Russia is, for example, a mixture of state bureaucratic capitalism with competitive authoritarian capitalism. Most Central American countries and some South American countries combine competitive authoritarianism capitalism with aspects of liberal or social democratic capitalism. States often move from one type to another. Chile, under Pinochet's regime, was a mixture of bureaucratic and competitive authoritarian capitalism. After the end of the military regime, the country has instituted capitalism that is an amalgamation of liberal democratic and social democratic elements (Buzan & Lawson, 2015, p. 283).

The rise of decentered globalism also means that no state is capable of replacing the United States as a superpower, not even China. Instead, the new order (or disorder) has several great powers and many regional powers: Brazil and Mexico in Latin America, China and India in Asia. Another consequence of decentered globalism in a world of universalized capitalism is that there is no single vision regarding the combination of its three components: industrial capitalism, rational-bureaucratic states, and ideologies of progress. Each of the four variants of capitalism offer distinct responses and have advantages, disadvantages, and weaknesses regarding the objectives pursued: efficiency, welfare with equality, political stability, and social cohesion (for more details, see Buzan & Lawson, 2014, pp. 78-83). A third option that combines the advantages of the West with those of China, as proposed by Berggruen and Gardels (2012), is intellectually interesting, but does not seem realistic. The universalization of market relationships means an almost worldwide conception of politics and economics, although they are different spheres of action (Buzan & Lawson, 2014, p. 75).

1.3. The double transformation of trade policy

We are witnessing a double transformation of trade policy. Both transformations are causing the World Trade Organization (WTO), the guarantor of trade multilateralism for decades, to lose importance. Instead of the WTO, with its supposed regime of free trade without discrimination, preferential and discriminatory mega-regional trade agreements appear to be gaining ground, such as the Transatlantic Trade and Investment Partnership (TTIP) and the Trans-Pacific Partnership (TPP), with the latter challenged by another mega-regional agreement, the Regional Comprehensive Economic Partnership (RCEP), under the leadership of the Association of Southeast Asian Nations (ASEAN) (Wilson, 2015). These agreements flank a new geostrategic mega-conflict and contribute little to the liberalization of trade; instead, they serve as protectionist instruments against new competitors and promote the exclusion of those who intend to compete, such as China. In summary, all of the largest powers are attempting to create their own preferential trade policy agreements, competing with each other for power and influence.

As a result, we are witnessing a reversal in geopolitics in which the TTIP and the TPP are, according to their defenders, not only responses to the stagnation in multilateral negotiations within the WTO framework, but also reactions to the decreasing competitiveness of transatlantic powers in respect to emerging countries and, in general, are responses to the diminished capacity of these powers to impose the rules of international trade (Dieter, 2014). Despite Trump's frontal assault of these mega-agreements (renouncing the TTIP and the TPP, renegotiating the North American Free Trade Agreement [NAFTA]), the increasing use of these agreements has only been halted, but in no way has this trend been reversed completely.

A second trend confronting the WTO and its system of rules is the expansion of a new protectionism and economic nationalism, spearheaded by the new U.S. government. This trend arose in previous years as a reaction to the global financial crisis of 2008. Since 2012, world trade has grown at an annual rate of three percent, a figure that represents less than half of the growth observed in the previous three decades. Since 2008, national industrial policy has become fashionable once more, triggering a domino effect of protectionist measures. Both of the aforementioned trends point to the end of trade multilateralism, a basic philosophy of the global economy since World War II (Dieter, 2015). The age of discourse about free trade without discrimination appears to have reached its end, and it is worth noting that Trump's protectionism did not begin this process; it has merely accelerated it.

In summary, the emerging world order has the shape of decentered globalism, whose main dynamics are the relationships between competitive forms of capitalist governance and the reconfiguration of the Global South (Woertz, 2016). Another fact to consider is that, while the four variants of capitalism are facing severe challenges, none of them appear likely to disappear in the short term. Although trends tend to favor divergence over convergence, a return to hard geopolitics or geoeconomics is not, according to Buzan and Lawson (2014, p. 86), more plausible, but cannot be fully ruled out (see the hardening attitudes between the United States and Russia). We can instead expect (and Buzan and Lawson finish their reflections with this optimism) an emerging concert of capitalist powers, such as the G20, supported by a set of rules, regulations, and institutions that reconstitute international society or, better put, claim to represent it, provoking an unsurprising reaction: protest from those who are excluded. This emerging concert of powers could manage competitiveness between diverse, but integrated, models of political economics and constitute a pluralist order. As all capitalist powers are interested in the wheels of the global economy continuing to turn, their mutual relationships will be both cooperative and competitive. Their common interest lies in adherence to the doctrine of multilateralism and the rejection of a unipolar, zero-sum world. Finally, should this concert be consolidated, the culture of interaction in this soft geoeconomic order would be one of friends and rivals, not one of rivals and enemies. In the words of Buzan and Lawson: "While capitalism has become the only game in town, no single form of capitalism has sufficient legitimacy or power to assert hegemony. Indeed, any attempt to do so is likely to see everyone lose" (Buzan & Lawson, 2014, p. 91). What also appears to be clear is that the notion of the world order demands transcendence of a binary categorization ("the West and the Rest") or hierarchical one, instead demanding a relational perspective. The emerging new world order would therefore point towards an arrangement characterized by the confluence of order and disorder, of Western and non-Western worlds, and that recognizes the crucial role of the other in shaping their own identity and history.

2. Latin America's current place on the world stage

Where does Latin America stand in relation to the new political and economic geography outlined above? There is no doubt that over the past fifteen years, the region has consolidated its position within an international context characterized by the crisis or stagnation of more industrialized economies and the rise of emerging countries from the South. The leitmotif of this stage was the so-called "commodities consensus," based on the large-scale exportation of primary goods. Its characteristics included the expansion of extraction mega-projects (mega-mining, oil exploitation), the construction of mega-dams, and the new agrarian capitalism, with its combination of genetically modified organisms (GMOs) and agrotoxins, among others. According to Maristella Svampa (2017), extractive-exporter projects are characterized by "a common extraction logic: large scale, orientation towards exportation, intensive occupation of territory and seizure of lands, amplification of environmental and socio-sanitary impacts, preeminence of large transnational corporate actors, and a trend towards low-intensity democracy" (p. 56). The commodities consensus was based on favorable conditions and driven by the high prices of raw materials and the growing demand of countries such as China and India, facilitating the acquisition of surpluses that were primarily used by some progressive governments to increase social public spending. However, these conditions ended in 2014: in economic terms with the contraction of the economy, and in political terms with the end of comfortable electoral victories for progressives and one entering into disputed territory. Contrary to the 2003-2014 period, progressivism now faces more hard-fought elections with uncertain results. The region, which has seen its capacity for growth conditioned by an external restriction arising from limited investment financing and recurring balance of payment crises, continues to lag behind in terms of its participation in the global economy. Although terms of trade recovery over the past twenty years has coincided with the strong growth of the participation of China and other Asian economies in world trade, the participation of Latin America in global exports of goods and services continues to be stagnant and its share in the exchange of high-technology goods and modern services has actually decreased, even when the importance of these Asian economies as a destination for Latin American exports quintupled. Only five Latin American countries had an export participation above the regional average to ASEAN, China, and India, with percentages ranging from 13.2 percent for Argentina to 26.6 percent for Chile, with the top five rounded out by Peru (16.9 percent), Brazil (21.9 percent), and Venezuela (25 percent). Collectively, these five countries send 90 percent of Latin American exports to ASEAN, China, and India. China alone represents 73 percent of total Latin American trade (Kacef, 2016, p. 51). Trade with these three areas shows a higher degree of concentration in comparison with other destinations, has not varied significantly in the past two decades, and appears to respond to a traditional pattern of exchange between these economies. Raw materials account for 76 percent of total exports from the countries that sell the most to the aforementioned areas, and only the remaining 24 percent corresponds to manufacturing with a greater degree of processing (Kacef, 2016, pp. 53ff.).

In summary, despite certain achievements regarding the technology and knowledge content of exports, these advances have not been sufficient to close the productivity gaps that separate the region's economies from more competitive markets (Kacef & Ballesty, 2014). The region's participation in global flows of foreign direct investment (FDI) has increased while, at the same time, specialization in low-technology activities has been reinforced. Participation in global value chains (GVCs) continues to stagnate below the world average, primarily consisting of the supply of raw materials for export to third countries. Digital connectivity continues to be poor and weakens the region's participation in dynamic new sectors. Within the context of a stagnant world economy and the rise of new protectionism, Latin American trade has fallen for the fourth consecutive year and, even more seriously, only a modest regional trade recovery is projected for the 2017-2020 period (Economic Commission for Latin America and the Caribbean [ECLAC], 2016c, pp. 11-24). According to the most recent projections by the International Monetary Fund (IMF), after negative growth of -1 percent in 2016, the region is going to grow by only one percent in 2017 and 1.9 percent in 2018, mainly as a consequence of low confidence in the region and weak internal demand (Werner, 2017). In the medium term, the IMF projects average growth of only 1.6 percent, a figure that coincides with the forecast for advanced economies, making the situation even worse.

The new post-2014 scenario outlined above constitutes the backdrop to the implementation of the new 2030 Agenda for Sustainable Development, which is based, among other factors, on the results of the Millennium Development Goals (MDGs).[1] The 2030 Agenda poses challenges across all development spheres, from the economic to the social, environmental, and political, including issues of institutionality, governance, and international participation. According to ECLAC, the 2030 Agenda is extremely important for the region and reflects the fact that the current development model is becoming increasingly unsustainable.

Beyond the extractivist-exporter model, which benefitted from positive conditions in terms of the prices for raw materials from 2003-2013, regional integration is an additional factor that offers details on the manner and scope of the region's international participation. Here, we are primarily interested in the scope of the so-called "Latin American autonomous regionalism" or "defiant Latin American regionalism" that has emerged in recent years (Preciado Coronado, 2013) as one of the topics that has converged in progressive governments, and the new phenomenon of minilateralism, with its two most important instruments: cross-regionalism and the Pacific Alliance (PA).

3. The new panorama of post-neoliberal regional integration in Latin America: A suitable platform for a more active international role?

3.1. The rise of heterogeneous and fragmented regionalism

In a globalized world consisting of mega-blocks that compete with each other, each country must cooperate with other countries and contribute efforts and resources to successfully participate in the international sphere. This requires going beyond bilateral agreements with individual countries and strengthening regional integration to increase the region's competitiveness and its bargaining power with other important international players.

The rise of a new world order, characterized by decentered globalism, competing versions of capitalism and alterations in the distribution of global power, led Latin America to a new phase of heterogeneous regionalism. Postliberal or posthegemonic integration structures, such as the Bolivarian Alliance for the Peoples of Our America - Peoples' Trade Agreement (ALBA - TCP); the Union of South American Nations (UNASUR), and the Community of Latin American and Caribbean States (CELAC) coexist with a mechanism that returns to an agenda of open regionalism through the Pacific Alliance (PA) and points to the construction of a launch platform towards the new pole of the global economy: Asia and the Pacific. In parallel, the traditional integration regimes remain more or less alive: the relatively

1. Tassara and Cecchini (2016) summarize the path from the MDGs to the Sustainable Development Goals (SDGs).

successful Central American Common Market (MCCA), the half-dead Andean Community, and the stagnant Southern Common Market (Mercosur), stagnant. All of these parallel, overlapping, and contradictory integration mechanisms are examples of South-South cooperation and reconfigure the region's political and economic spheres. In parallel, the Organization of American States (OAS) has lost leadership and legitimacy as a hemispherical link in recent years in the face of the rise of exclusively Latin American integration schemes, such as UNASUR and CELAC, although the changes in the political arena from 2015 to date have resulted in the loss of the initial momentum of these networks, highlighting their fundamental contradictions. Multidimensional, low-institutionalization proposals coexist with proposals containing significant ideological content, and regional fora overlap with preexisting sub-regional initiatives. With the exception of ALBA, whose focus is clearly confrontational and exclusionary of other integration regimes, the initiatives allow a division of labor and act under the imperative of the need imposed by the international situation to bestow the region with a concerted and coordinated presence (Peña, 2012). The youngest of all, the PA, includes the Pacific countries that are open to the international market (Mexico, Peru, Chile, and Colombia) and presents itself as a novel mechanism of regional integration. As an integration process, it shares characteristics with certain forms of open regionalism. Economic internationalization through the participation in new markets is one of the elements shared by the four founding states. Collectively, these countries command more than half of Latin American foreign trade, although the level of internationalization of trade varies, as Colombia and Peru lag slightly behind in this area compared to Mexico and Chile (Duarte Herrera, González Parías, & Montoya Uribe, 2014). One of the challenges of this new integration regime will be accurately defining how it can meet one of its main goals: serving as a bridge between Asia and Latin America on both sides of the Pacific (Durán Lima & Cracau, 2016). The PA has acted, until now, with a great deal of initiative, and has already reached a series of concrete results, attracting no fewer than 49 observer countries, including big shots such as the United States, Japan, China, Germany, France, and Great Britain, three of the four members of Mercosur, and one member of ALBA. This mechanism entered into a new phase at the XII PA Summit, hosted in Cali, Colombia on June 30, 2017. One of the outcomes of the Summit was the decision to open bloc negotiations with Canada, Australia, New Zealand, and Singapore as a step to further solidify trade relations in the Pacific region. This decision reflects the consideration that the TPP (in which Latin America has played a rather marginal role) is temporarily stalled with the withdrawal of the Trump government from the ongoing negotiations. Considering the fact that Mercosur's engagement with the PA is essentially frozen due to its members' internal disputes, above all those of Brazil, the PA appears to have consolidated itself as the region's most dynamic political and economic space (Maihold, 2017).

Beyond the political-economic importance of the PA, this regime is an expression of a new form of cooperation and a type of economic governance that goes beyond the cooperation and integration strategies of past decades, now referred to as "minilateralism". According to Jorge Garzón and Detlef Nolte (2017), minilateralism possesses four fundamental characteristics: first, it assembles the lowest necessary number of actors to reach a specific goal; second, it favors more informal and flexible ("soft law") agreements over traditional, more formal integration agreements; third, it responds to challenges in a disaggregated and incremental manner, instead of adhering to a comprehensive agreement; and fourth, contrary to the multilateralism and regionalism that pursue the homogenization and dissemination of specific standards, practices, and models (such as European integration), minilateralism is characterized by a growing heterogeneity and diversity of forms, a reflection of diverse interests and diplomatic traditions from a scattered field of actors.

Latin America has not been excluded from this trend towards the propagation of minilateral forms of cooperation in recent years, attempting to establish minilateral relations primarily through two instruments: first, through so-called "cross-regionalism," a new bilateralism that refers to the practice or strategy of negotiating multiple bilateral trade agreements in parallel with partners that belong to different regions; second, through the aforementioned PA. Both instruments of minilateralism are clearly distinguished from traditional cooperation and integration regimes and have become a specific "governance complex" (Nolte, 2014), in which minilateral institutions coexist and compete with the regional economic cooperation agreements that arose during the "new regionalism" of the 1990s (Garzón & Nolte, 2017).

It is relevant to make a few observations regarding the PA, the youngest initiative on the region's long list of integration regimes. Its launch was not only celebrated as a major step forward, but has also advanced a great deal in a short amount of time and has even struck a chord with members of the center-left and left.[2] However, since its creation at the beginning of the current decade, the PA has received strong criticism, most of which has come from left-wing governments, as expected. Evo Morales, for example, denounced that behind the PA was the "political, military, and financial arm of the empire," whose goal was to undermine the peoples' sovereignty and weaken the regional integration of Mercosur, UNASUR, and CELAC. For Morales, the PA is nothing more than a slightly more limited attempt to resuscitate the failed Free Trade Area of the Americas (FTAA) initiative, consolidating a free trade area among the four members at the convenience of the United States, which would, among other initiatives, include a new attempt to privatize basic services (Agencia EFE, 2015).

Beyond ideological criticisms, it is worth mentioning that the PA was criticized more concretely based on the considerations that it would result in disastrous economic effects due to the asymmetries in power and production structures between its member countries. One of the sectors most likely to be impacted is Colombian agriculture.[3] There is also the real danger that the PA causes the deindustrialization of its lesser partners and, as Cristina de la Torre has criticized, converts this type of country into net exporters of services, fossil fuels, and bananas, while also reinforcing their passive role as importers of industrial and agricultural goods. Using the Colombian case as an example, de la Torre warns that with full implementation of the PA, cars assembled in Mexico (which are cars from U.S. or Chinese companies) would be entering the country with zero customs duty. For de la Torre, the PA threatens to push Colombia even further off the path of industrialization and elevating agricultural productivity, accompanied by agricultural reform (de la Torre, 2014).

From a geopolitical perspective, it is interesting to look at the opinion of former Mexican Secretary of Foreign Affairs Jorge Castañeda, who perceives the PA in its original purpose as a lure to attract several Latin American countries towards the TPP, "an attempt by the United States and Japan to create a trade bloc that can stop the expansion of the Chinese economy in Latin America and other regions of the Pacific" (Borbolla, 2014). Furthermore, if the PA is meant to be a regional influence, the true challenge lies in advancing towards greater regional integration and increasing the still-low level of intraregional trade.[4] To do so, it is crucial to bring the PA closer to Mercosur, as the two blocs represent more than 94 percent of the region's GDP. However, this challenge would make sense only if one considers trade and regional integration to be a means to advance development, and not an end in itself. This development is achieved through national policies that encourage progress towards the diversification of production to overcome the region's traditional dependence as an exporter of raw materials (Campodónico, 2015).

The new differentiation of integration regimes is assessed by observers chiefly as a suitable response to

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2. For example, Pepe Mujica, the former president of Uruguay, has advocated his country's membership in the Alliance.
3. For Rafael Mejía, the president of the Colombian Agricultural Society (SAC), the Alliance is the worst trade agreement signed by the country, as it represents more disadvantages than advantages for the agricultural sector. As a plurilateral agreement that removes price bands, Colombian farmers will no longer be able to resort to the safeguards and anti-dumping measures contemplated within the WTO framework that are meant to defend domestic production (García Sierra, 2014).
4. The trade that occurs between the members of the PA is relatively low. According to data from the Wilson Center, it represents a mean of 5.3 percent to 7.8 percent of total exports and imports, respectively.

an increasingly differentiated Latin America and as an opportunity to achieve greater integration in the world market and global governance structures by means of differentiation and cross-relations (Peña, 2012, pp. 6-8; Phillips, 2002). Given the bleaker international and regional outlook since 2014, this goal of a more active global integration for the region is no way guaranteed. Goods markets have experienced a loss of dynamism, leading South American economies to tend towards recession or at least lower growth rates.

Considering the economic and political importance that Brazil held as sub-leader for more than a decade (i.e. during Lula da Silva's administration and Dilma Rousseff's first term) its fall is especially dramatic. As Günther Maihold recently mentioned (2017), Brazil's fall is an indicator of the end of the South American project promulgated by Brazil and transnational solidarity between left-wing governments. The region is increasingly more fragmented, and we can expect growing tensions in the sub-region and resistance to a possible reformulation of Brazil's ideas of organization. Additionally, the two instruments of minilateralism (cross-regionalism and the PA) have implemented new forms of governance that go beyond the region and in which Brazil is not included as a participant (at least for now) and that assume a new dynamic of regional and transnational economic cooperation and new drivers for trade and investments.

Despite more than 200 years of integration rhetoric and constant calls for unity and solidarity, Latin American regionalism today paints a picture of heterogeneity and increasing fragmentation, presenting various projects with different, if not incompatible, models of development, rationalizations, and agendas. In this context, it is likely that Mercosur, despite all its weaknesses, will continue to be the central point of reference for the process of Latin American integration (Heine, 2014, p. 97). However, the expectation of a substantial strengthening of its institutions will be difficult to achieve, despite all the progress made in recent years, such as the Parliament of Mercosur (Parlasur), the Mercosur Structural Convergence Fund (FOCEM), and the Mercosur Permanent Court of Review. In an increasingly pessimistic scenario, the avalanche of unilateral and bilateral actions recently implemented by its member countries appears instead to be a sign of the beginning of the end.

Summarizing what has been described in this chapter, we can say that Latin America's consistent and coordinated regional presence on the international stage today appears more distant than ever. The new bilateralism in the region (and beyond it)[5] is also forced by Donald Trump's America First strategy, his attack on free trade and regional integration, and his announcement of protectionist measures. The Trump administration's refusal to sign the TPP is a clear sign that Latin America should seek its own path if it wishes to strengthen relations with its Asian partners, excluding possibly controversial elements such as labor and environmental demands and approaching China and its proposed trade mega-agreements, such as the RCEP, among other initiatives. Both economic and political resources are currently lacking to implement true South-South cooperation (which was one of Brazil's foreign policy priorities during Lula da Silva's two terms, for example, within the BRICS and IBSA [India, Brazil, and South Africa] frameworks). The fall of Dilma Rousseff and the swing to the right in Brazil meant the loss of one of the boldest leaders applying pressure to reform the international order to create an order in which the South will be better represented (Maihold, 2016). The new governments in both Argentina and Peru point in the same direction. As a result, the power vacuum in Latin America has been heightened. No Latin American country has the economic resources and political weight to replace Brazil's role in the region: not Argentina, not Mexico, not Colombia, and certainly not Venezuela.

3.2. The growing awareness that trade agreements should be linked to other policy areas

5. When British Prime Minister Theresa May announced the plans to leave the EU in January 2017, she presented a new economic foreign policy that framed the exit as the freedom to negotiate free trade agreements outside the EU, including with Australia, New Zealand, China, Brazil, and the Persian Gulf countries.

Despite the end of left-wing and center-left governments in most of the region's countries, and the fact that most new governments must deal with domestic problems above all, a full return to a policy of introspection does not appear likely, nor does a return to the pure neoliberalism of the 1990s, as some voices on the left claim. The new center-right governments in Argentina, Brazil, and Peru, proponents of the new openness, expect that it will reanimate and diversify trade and attract new investments that encourage economic progress. There are, however, strong doubts regarding the likely success of this strategy, not only due to the lingering global recession, but also because the world economy is in dire straits, characterized by the triangle of low-productivity growth, huge debts, and a zero-interest policy from central banks.[6] The reanimated free-trade rhetoric not only clashes with Donald Trump's neoprotectionism and mercantilism, but apparently its center-right Latin American proponents have also forgotten that, according to the famous Washington Consensus and as seen in historical experience, unrestricted free trade agreements have few winners and many losers and are one of the sources of growing inequality, both within and between countries. Increasing inequality will lead to increasing resistance from the sectors of society that feel disconnected, as is the case for noncompetitive small and medium enterprises (SMEs). It is no coincidence that the new transnational mega-agreements, such as the TTIP, the TPP, and the Comprehensive Economic and Trade Agreement (CETA), also known as the Global Economic and Trade Agreement, have met with strong resistance in Global North countries, particularly the EU, as a reaction to the antidemocratic manner in which these treaties are negotiated: in secret, with little transparency, and without the participation of the broad spectrum of social actors who might be affected by their content. These protests, however, go beyond criticism of negotiation style; they imply a deeper criticism. Historical evidence shows that David Ricardo's theorem of comparative advantages should be extended to include power structures and actors' interests, which would contribute to a real understanding of trade advantages. Against this backdrop, it is hardly coincidental that there is a growing awareness that these trade agreements should be more compatible with and linked to other international regulatory frameworks (Schillinger, 2016), that is, with a more extensive debate on development strategies. Two examples of this can be found in the UN's recent approval of the 2030 Agenda for Sustainable Development due to recent changes in the world and in response to economic, distributive, and environmental imbalances in the dominant style of development; and in the presentation of the document Horizons 2030: Equality at the Centre of Sustainable Development to member states at the 36th session of ECLAC, which "provides an analytical complement to the 2030 Agenda [and its 17 Sustainable Development Goals (SDGs)] from a structuralist perspective and from the point of view of the Latin American and Caribbean countries" (ECLAC, 2016b, p. 10). According to this innovative document,

> the combination of progress towards a new governance for the creation of global public goods, the consolidation of the region's contribution to this effort and the implementation of national strategies and policies for progressive structural change will thus form the basis for a new development style centered on equality and the environmental big push (ECLAC, 2016b, p. 168).

Although the SDGS and the ECLAC publication are relevant instruments, their viability appears to be restricted by two factors: first, due to the lack of alignment of global governance in the areas in which transnational enterprises predominate; and second, due to their predominantly state focus and scant participation by social actors. A substantial part of the planned progressive change suggests incorporating greater levels of knowledge-based production, guaranteeing social inclusion, and combating the negative effects of climate change. The focal point of reflections and proposals for advancing towards a new style of development is based on driving equality and environmental sustainability. The creation of not only global public goods and their regional-

6. According to data from the IMF, worldwide debt totals $152 trillion dollars, which corresponds to 225 percent of the world's gross social product (Giesen & Piper, 2016).

level counterparts, but also of national policies, is the core from which the structuralist vision expands towards global Keynesianism and a development strategy centered on a large environmental push. The aforementioned ECLAC publication could serve as a blueprint for the domestic policy of Latin American countries and could also guide their foreign policy and behavior in international fora. There are undoubtedly a series of points of contact and converging views with the EU and its member countries, which could give new momentum to the strategic association between both subregions that has been sought since the 1990s.

Any trade policy that takes the Horizons 2030 recommendations into account should balance market economy interests with social and environmental standards. Both the Global North and South need to take energetic steps towards a fair global economy that increases welfare and prioritizes environmental and climate protection while also respecting human and labor rights; only agreements of this type are sustainable. The signs of unrestricted openness of Brazilian President Michel Temer and Argentinean President Mauricio Macri appear, however, to not have learned anything from this lesson. In terms of the international prospects for regional integration, two countries hold the power due to their hard and soft resources: Brazil and Mexico.

4. Brazil and Mexico as leading subregional countries: Their place in regional integration and the region's international prospects

Although estranged from each other for decades, relations between Mexico and Brazil, the two most powerful countries in Latin America, have been, according to the words of historian Guillermo Palacios (2005), "a series of conflicts and reconciliations" for more than 150 years. Scientific and media interest, which has been modest for decades, experienced a remarkable peak starting at the beginning of this century, especially with the so-called "rise of Brazil" during Lula da Silva's first term (2002-2006). A series of articles have underscored the rivalry and competition that exist between the two powers, both in terms of their development models and their foreign policies and international reach. Brazil and Mexico appear to be two democratic, economically stable countries that are willing to actively participate in international affairs, but are following different courses in their economic policies and manner of participating in regional and international economies (Covarrubias, 2016, p. 49). Eloquent titles on this perspective include "México vs. Brasil" [Mexico vs. Brazil] (Rubio, 2012); "La rivalidad México-Brasil" [Mexico-Brazil rivalry] (Castañeda, 2012), and "México y Brasil: caminos opuestos" [Mexico and Brazil: Opposite approaches] (Ojeda Gómez, 2009), among others.

An analysis and comparison of the dynamics of South America, dominated by Brazil, and those of North America, consisting of Mexico and the Central American isthmus, provides the following takeaways on the positioning and role of these two powers in Latin America and beyond:[7]

1. There is a dominant power in both regions that, according to hard data, bears the status of a "middle power": Brazil and Mexico. This status is, in the case of Mexico, less defined than that of Brazil. Both countries have important power resources (in the sense of positional power), which can be verified through their macroeconomic and demographic figures. Both countries also have abundant natural resources.

2. While Brazil increased its power of influence during Lula da Silva's two terms through a variety of proactive policies, Mexico was, for a long time, fairly uncertain in this regard. This has begun to change, although at a slow pace, starting with the governments of Fox and Calderón, and more decidedly with Peña Nieto.

3. The room for maneuver of Mexican foreign policy was always, and continues to be, strongly re-

7. The following section summarizes a more extensive work by the author currently in press: *Diferentes espacios, diferentes dinámicas políticas: Una comparación de las políticas exteriores regionales y extra-regionales de Brasil y México* [*Different spaces, different political dynamics: A comparison of Brazil and Mexico's regional and extra-regional foreign policies*] Buenos Aires, Ediciones Imago Mundi, 2017.

stricted by geographical proximity to and historical and structural dependence on its neighbor the United States, as well as strong ties between the two economies. There is no comparable relationship in South America, which gives Brazil and its neighbors much greater room for maneuver in foreign policy. However, with the advance of integration in both subregions (Mercosur, UNASUR, and ALBA in the South; the North American Free Trade Agreement (NAFTA) and the Dominican Republic-Central America Free Trade Agreement (CAFTA-DR) in the North; CELAC throughout Latin America; and the failed hemispherical project FTAA), the dynamic of interstate relations has changed, and power relations are more fluid in the region.

4. South American integration gathered additional momentum under Lula da Silva's two governments. While strengthening Mercosur was the initial focus, intergovernmental coordination structures were later extended, which culminated in the creation of UNASUR in 2008. This period was notably marked by the reinvention of South America and Mexico, and its separation from the northern region (Gehre Galvão, 2009, p. 63). Under Calderón's government, and more concretely with Lula da Silva's visit to Mexico in August 2007, the two countries established a closer relationship, discovering shared interests and dispelling any appearance of misunderstanding or open competition. In 2008, Brazil once again took the initiative and held the first Latin America and Caribbean Summit on Integration and Development (CALC) in Salvador de Bahía. With this step, Brazil began to extend its influence beyond the South. Mexico's growing interest in the South also became apparent when the country hosted the following CALC in Cancún in April of 2010. Calderón took advantage of this summit to promote his own idea of Latin American unity without the United States and Canada, which contributed to the creation of CELAC (Padgett, 2010). However, it would be an exaggeration to argue that CELAC was created chiefly at Calderón's insistence. Many interests came together in its creation, including the opposition to the division of Latin America into two spaces: the North, consisting of Mexico, Central America, and the Caribbean; and the South, dominated by the heavy-hitter Brazil. Another element was Argentina's interest in including Mexico in the new integration regime, without the United States and Canada, as a counterweight to its rival Brazil.

5. One area of competition that was not articulated was that both countries sought a seat on the United Nations Security Council. Despite that fact that Brazil invested more in this effort, the country, along with the other members of the G4 (Japan, Germany, and India), were blocked in 2005 due to the lobbying efforts of Uniting for Consensus (nicknamed the Coffee Club). Mexican diplomacy adopted a clear position in this regard, favoring the expansion of non-permanent seats on the Security Council. Another example of divergent interests can be found in the fact that when Mexico hosted the G20 Summit in Los Cabos in June 2012, neither Brazil nor Argentina participated. On the other hand, the PA has given Mexico the opportunity to emphasize once again its role as a leader in integration efforts based on the current parameters of free trade, together with the other members of the Alliance: Chile, Colombia, and Peru.

6. Another important factor has to do with the different dynamics in North and South America. In the South, there is the competition between the regional leader (Brazil) and the runner up (Argentina), which considers itself, at least in terms of political discourse, to be Brazil's primary competitor. In North America, there is no country equivalent to Argentina that is able to compete, with hard and soft power resources, with Mexico's dominant position.

7. Mexico's high level of economic dependency on the United States, with which it shares a common border almost 2,000 miles long, restricts the room for maneuver of its foreign policy and limits the country's dynamism, including under the current government. This high level of economic dependency has no equivalent in South America. Brazil, on the other hand, has to deal with opposition to its leadership by two second-rank powers, Argentina and Venezuela, although

it is reasonable to say that this opposition has decreased substantially since the death of Chávez, the dramatic fall in crude oil prices, and the changes of government in Argentina and Brazil. A constellation of forces like this does not exist in the North.

8. Another recent phenomenon that extends beyond regionalism as we know it is the so-called cross-regionalism. Since 2006, six Latin American countries (above all, Mexico, Panama, Colombia, Peru, and Chile) have abandoned customs zones based on regions and, instead, have decided to implement a radical strategy of "bilateral cross-regionalism," i.e. simultaneous participation in multiple bilateral trade agreements (Garzón & Nolte, 2017; Tovias, 2008). Globally, cross-regionalism is, according to the WTO, the instrument of economic diplomacy that has grown the most in recent times (2011, pp. 58-61).

9. The consequences of different constellations of power and dependency in North and South America is reflected in the degree of dynamism of the foreign policies of both subregions, especially in the strongest countries: Brazil and Mexico. While Brazilian diplomacy has focused on increasing dynamism (since the times of Color de Mello and his successors, Itamar Franco and Fernando Henrique Cardoso), this trend experienced an additional push during Lula da Silva's two periods of government and was assumed in a more moderate manner by his successor Dilma Rousseff. However, this dynamism dissipated after Michel Temer assumed office, which is why foreign policy appears to have stagnated while the government concentrates on the severe domestic problems it faces.

10. For a long time, Mexican foreign policy was dominated by traditional diplomacy, a high level of principlism (based primarily on autonomy, sovereignty, and non-intervention), and a concentration on the operational part of foreign trade. With the exception of trade policy, Mexican diplomacy was also characterized until recently by stagnation and a rather more modest presence at international fora, which strongly contrasts with the dynamism shown by Brazil. Albeit slowly, this has changed since Vicente Fox's presidency, which put an end to 70 years of government by the Institutional Revolutionary Party (PRI) and shifted to a rediscovery, in a certain sense, of the terrain of foreign policy and of South America. Since Cardoso's second term, and parallel with its bilateral relations, Brazilian diplomacy has proactively sought reconciliation with its neighbors, exercising benevolent leadership and mediating conflicts that do not pose significant risk or fierce confrontation with other states; Mexico, on the other hand, has pursued a low-profile foreign policy for decades. Its Ministry of Foreign Affairs focused on relations with its neighbor to the north and neglected relations with both its immediate neighbors to the south, i.e. Central America, and South America. Calderón and, more notably, Peña Nieto have rediscovered, at least at the level of discourse, both their neighbors from the isthmus and South America. It could be said that Brazil is seen as a model in regards to its social and energy policies, as well as its leadership in regional and international politics. Colombia, meanwhile, seems to have been used by Peña Nieto as a model for his anti-drug policy.

11. Despite Mexico's recent rediscovery of the South (a posture shown in a respectable range of bilateral agreements), until now, the new gaze of Mexican diplomacy towards the South had not been transformed into a coordinated subregional strategy.

12. An open question still remains as to whether the coexistence of open regionalism and post-neoliberal regionalism will give rise to new initiatives in Mexico and Brazil's foreign policies. One scenario points towards a closeness between both nations, perhaps a shared leadership; a second scenario might be a growing rivalry between the two countries; and a third scenario might be the possibility of increasing intraregional fragmentation that dilutes any leadership ambition of the region. The recent swing to the political right in the region makes this last scenario the most plausible. In any event, the neoprotectionism promoted by new U.S. president Donald Trump leaves doubts as to whether this project for the region's indiscriminate participation in the world market can really prosper.

5. Beyond neo-extractivism? The strategic imperatives for a transformational approach

5.1. The opportunities offered by new relations with China

Since 2013, developing countries, rich in natural resources, have progressively lost ground. Their development model, based on traditional comparative advantages (untransformed natural resources), enabled an economic boom and a strong foreign policy thanks to the high prices of raw materials, but does not appear to serve the region as a guiding principle going forward. This strategy has also needed recent correction in China, as the growing costs of labor and revaluation of its currency have put the competitiveness of Chinese industry at risk. The government is now attempting to transform the previously successful growth model, based on exports and driven by large investments, using a strategy that emphasizes products with greater added value, more services, and greater domestic demand. This change of course also implies a threat to other developing countries. Above all, Brazil and Russia are suffering due to the drop in Chinese demand. Moreover, emerging powers have been profoundly affected by the pressures of financial markets. With the end of easy money from the European Development Fund (EDF) and the rise of interest rates in the United States, foreign investors have removed their money from emerging markets and placed it in the United States. Weak exchange rates have led to a rise in imports. The Central Bank of Brazil has reacted to these changes by raising interest rates, but in the long term, this reaction ended up weakening its already low growth rate even more.

China's change of course can be considered part of the "new normal" and outlines the process of a profound socioeconomic transformation, the goal of which is the implementation of an ambitious development agenda to maintain Chinese leadership in the second phase of shifting global wealth. This strategy supposes a transition from outward growth (a feature that has characterized its course since the beginning of this century) to growth based on greater domestic consumption against a backdrop of demographic aging, consolidation of an urban middle class, and displacement towards the service sector and knowledge-and-technology-intensive industries.

These new domestic development priorities are also having an effect on China's foreign relations and on cooperation with other regions of the world, including Latin America. In the face of the rise of new U.S. protectionism, new infrastructure investments and projects from China are welcome in Latin America, provided that these are the response to a corresponding demand and foster lasting and sustainable economic development (Myers, 2016). Opportunities in this regard are not insignificant, as the Chinese dragon is positioning itself evermore actively on the world stage, acting, as recently occurred at the Davos 2017 meeting, as a defender of free trade supported by most of the new Latin American governments, with a soft power strategy that exposes interests that go far beyond the economic sphere, i.e. trade, investment, and financial cooperation.

One striking example of this is the 2015 Report on Sustainable Development of Chinese Enterprises Overseas (Chinese Academy of International Trade and Economic Cooperation, 2015), which shows that Chinese authorities are increasingly aware of the environmental and social impacts caused by mega-projects, such as those in the energy sector. In order to make sustainable investments, the report urges Chinese enterprises to develop a "corporate social responsibility" in the countries they invest in. As Margaret Myers, an expert on China from the Inter-American Dialogue, mentions, both Chinese government ministries and banks and chambers of commerce have made progress in recent years on industrial and environmental reforms, and have changed their strategies in Latin America accordingly, aiming for strategic associations and greater integration of their counterparts into value-added supply chains. Latin American governments and business owners must take advantage of this strategy. The restructuring of Chinese consumption will open up new opportunities for Latin American exports, especially of certain types of food, and in-service sectors, where tourism stands out. On the other hand, this change will require significant efforts in the areas of innovation and technology, in which the region generally lags far behind. Whether the required innovations thrive will depend, to a large extent, on cooperation being democratized across all its stages and on the successful reorientation of financing towards sustainable projects that provide concrete benefits for local populations.

Latin America can learn many lessons from the recent strategic changes in China, including those from its foreign relations policy. The recent study Latin American Economic Outlook 2016: Towards a new Partnership with China, from the Organisation for Economic Co-operation and Development (OECD), ECLAC, and the Development Bank of Latin America (CAF) (2015) described in detail the reforms and innovations that the region's countries need in order to set in motion a new association with China and face the challenges implied by a shift in the world's "center of gravity" from developed to emerging economies, a phenomenon known as "shifting wealth."

5.2 From the "resource curse" to the blessing of value-added exports

With the fall of prices in 2013, the growth model based on raw materials has once again shown its limits. This is an important reason that the region should diversify and modernize its production structure based on innovative policies of productive development. The situation is worsening, as the transition in China could have a negative impact on traditional Latin American exports of raw materials and on manufacturing exports from Brazil to the region (Mouron, Urdinez, & Schenoni, 2016, pp. 26ff.) Overcoming the extractivist logic in the region is not easy, considering that the region has lived for centuries under the primacy of and dependency on its traditional comparative advantages: natural resources. Only a handful of countries, such as Costa Rica and Uruguay, have already advanced significantly in decarbonizing their economies. Most hydrocarbon exporting countries, however, have not taken advantage of the fall in raw material prices to change course. As indicated by a recent report from the Inter-American Development Bank (IDB), the structure of Latin American exports to the United States and the EU continues to differ from those of other regions to these two markets. Fuel, natural resources, and semi-processed products constitute the highest percentage of products in the export basket, with the exception of Mexico (Michalczewsky, 2017), and there are no signs of this changing in the medium term. In fact, Bolivia, for example, reacted to the decrease in income from gas by extending the areas for hydrocarbon exploration, even setting aside protected natural areas for this use, as well as offering a substantial subsidy fund of $3.5 million dollars to oil and gas companies. Ecuador, which has lost around seven percent of GDP due to decreased oil exports, has begun exploiting crude oil in one of the most fragile sites on the planet, the Yasuni National Park, a region that was protected in the past by President Correa and in which there are proven reserves equivalent to 41.7 percent of the country's total reserves. In Venezuela, the most dramatic case, oil production has fallen more than 30 percent in the past decade. Given that this product represents more than 90 percent of Venezuela's exports, the effects of this fall on the country's economy have been disastrous. As Gerardo Honty (2016) underscored, Venezuela "is entering into a vicious cycle in which foreign currency is scarce because [the country] produces less oil [due to the deteriorating financial situation of the state-owned Petróleos de Venezuela (PDVSA)] and in turn [the country] produces less oil due to the same scarcity of foreign currency."

A change of course will not be easy for Latin American countries, because raw materials were the cause of the Latin American boom period of the so-called "golden decade" (2003-2013). However, changing the production structure is, in the long term, the only way for the region to participate more actively in the world market and increase its economic and political importance on the international stage. This does not mean it has to completely renounce its traditional comparative advantages, but it should bear in mind the IMF statement from 2015 that "natural resources could be a blessing to a country, if natural wealth facilitates the financing of investment for sustainable growth and, at the same time, allow the government to provide basic social services" (as cited in Núñez, 2016). Traditionally, the extractivist model of exploiting natural resources in Latin America has been accompanied by a governance model with a short-term perspective, even in the greatest boom periods resulting from the rise in the prices of basic products. This appears to contradict the very nature of the resources on which extractivist activities are based, as they are by definition nonrenewable (Altomonte & Sánchez, 2016, pp. 10ff.). In certain cases, the profits made from these resources were funneled into social projects through public investment, but this was done on a more case-by-case basis, detached from solid structures that would allow more sustainable conditions to be generated for development and the welfare of future generations. The blessing of resources, this window of opportunity that opened during the golden decade, closed when global market prices dropped. Latin American countries once again showed their inability to convert periods of natural resource export bonanza into long-term economic development processes. The fall was dramatic. Protests from people affected by the extractivist activities of large multinational companies have increased in recent times (Deonandan & Dougherty, 2016), as has an awareness that despite its previous validity, maintaining a development model based on the comparative advantages of natural resources is now a dead end, as it perpetuates dependence and underdevelopment and condemns the region's countries to passive international participation. Latin America and the Caribbean require new ways of governing natural resources that successfully allows a process of sustainable, fair, and equitable development to be set in motion. This strategy does not mean that the region's governments should completely give up their traditional comparative advantages, but that they have to invest the profits in a wide range of public policies and increase the added value of their exports, including those of raw materials. In view of the fact that one of the global economy's greatest challenges is how to feed a growing population and maintain the production of material-intensive manufactured goods, it is very likely that the consumption of raw materials related to the growth of Asian countries will continue to expand for a while. This means that Latin American countries can, therefore, take advantage of their historical specialization in natural resources by giving them added value. Anabel Marín (2016, pp. 247ff.) recently identified three areas of opportunity for the development of new technologies related to natural resources: specific and changing local conditions; the area of development based on new technologies, such as biotechnology; and finally, opportunities related to the need to develop environment-friendly technologies. Advances in these areas could obtain broad support from a population that considers environmental protection to be a very important foreign policy goal, as shown by the survey The Americas and the World: Public Opinion and Foreign Policy, which was administered in seven Latin American countries in 2014 and 2015. On a list of 12 foreign policy goals, most citizens qualify environmental protection as highly important. 96 percent of the people surveyed mentioned that it is a somewhat or very important goal, this percentage being the highest of all the goals (Centro de Investigación y Docencia Económicas [CIDE], 2014-2015). Certainly, according to ECLAC, the impact of climate change on Latin America is already significant and is only increasing. The main effect can be seen in a rise in average temperature of between 0.7 and 1 degree from the mid-1970s. Moreover, the southeast region of South America has observed a rise in annual precipitation. These phenomena have had diverse effects on agricultural activities, the water system, biodiversity, forests, tourism, health, and cities (ECLAC, 2015).

5.3. Significant energy potential as opportunity

The region's significant energy potential is a source of wealth and, undoubtedly, a comparative advantage that has only partially been taken advantage of until now. According to data from the IDB, this potential could sufficiently cover more than 22 times the region's electricity demand in 2050. This example shows that the region's governments could exploit the implications of the Paris Agreement (COP21) to drive a development model that harnesses its diversity of natural resources without compromising the region's social and environmental welfare. Latin America is better positioned than other regions of the world in various aspects regarding the commitments made by approximately 200 countries at COP21, and in November 2016 in Marrakesh, due to its low-carbon electricity sectors. Most of the region's countries, including the countries with the highest emissions (Brazil and Mexico) have ratified the Paris Agreement. Although Latin American countries, in relative terms, contribute little to CO2 emissions, energy consumption has increased within the framework of economic growth that the region has experienced in recent decades. As noted by Christian Denzin, lowering emissions from seven to two tons per capita by 2050 would be a consistent response to COP20 in Lima (2014) and COP21 in Paris (2015). Brazil and Mexico, which occupy places 12 and 13 on the list of countries with the highest emissions, have emissions of more than two tons per capita, despite their high levels of poverty. If these two countries maintain their traditional development path while also attempting to reduce poverty at the same time, their emissions will continue to increase (Friedrich-Ebert-Stiftung [FES], 2017).

Currently, Costa Rica is the only country that actually has the capacity to meet its national commitments in terms of the global goal of preventing the average temperature from rising two degrees. To reduce its per capita emissions by 2050, Latin America has to stop deforestation, reduce emissions caused by agriculture, and reduce energy consumption by 40 percent, a goal that could be met if it implements a strategy that leads to greater energy efficiency. According to a report from the IDB, the region should also decarbonize 90 percent of its energy sector and fully electrify the transport sector. Decarbonizing means replacing high-carbon content energy sources, such as oil and gas, with zero-carbon sources, chief among which are solar and wind power. This path's probability of success is not unlikely, as the region is, compared to others, a leader in clean energy. Forty-eight percent of its electricity comes from clean energy sources, of which 96 percent corresponds to hydropower. Emissions due to transport, however, are growing quickly, as the number of cars in the region is growing, resulting in an increase in consumption of gasoline and diesel. In order to meet their Paris Agreement goals, Latin American countries must build infrastructure that helps to install low-carbon energy systems, as well as democratize and decentralize their energy systems to achieve fairer and more inclusive economies. These last two goals are important because an effort that only focuses on decarbonizing will not be enough to change monopolistic or oligopolistic, corrupt, clientelist, and inefficient structures. A strategy like this would also attract new foreign direct investments. The new commitments to China are a step in that direction. Large investments must also be made in electric vehicles and in public transport, without neglecting policies to create cultural change and disincentives so that consumers adjust their behavior patterns, which are today insensitive to energy saving (Viscidi & O'Connor, 2016). Progress on these issues also depends on the cuts that the Trump administration will be making in the area of the environment (incalculable as of yet), because many Latin American governments have conditioned the implementation of their own plans for reducing emissions to meeting financial commitments and technology transfers agreed to by the Obama administration (Viscidi, 2017).

Moving beyond the traditional development strategies applied until now is not easy, as the four models of development that have historically been implemented in the region (the primary export model, the import substitution model, the neoliberal model, and post-neoliberalism) have not erased an archetypal characteristic of Latin American societies: structural heterogeneity; in fact, they have actually reinforced it (Cálix, 2016, p. 17). As a first step towards setting socially fair, economically productive, and ecologically sustainable transformation into motion, national policies are needed that foster innovation where countries already possess greater competitive advantages. Chile and Costa Rica are good examples of how this could work. Chile exports salmon, along with a great deal of technology associated with the salmon farming industry. Nevertheless, advances are inconclusive even in these countries; an example of this is the growing number of complaints about the environmental impact of excessive salmon farming activity, particularly in the Chilean region of Chiloé. It is also worth mentioning that Costa Rica, which faces environmental conflicts due to pineapple crops and the predatory attitude of one part of its tourism industry, is one of the few countries in the world with a positive balance of trade with China, thanks to its important technological exports, especially microprocessors (Núñez, 2016, p. 2).

5.4. The imperatives of innovation and diversification

Innovation and diversification are the buzzwords that dominate the current debate on ways to escape the "resource curse" and its impact on the region's international participation. The basic argument is that a country's capacity to participate in global trade and growth depends on its capacity to innovate in technological, social, and organizational fields. In this sense, the distinctive aspect of the new knowledge economy is the central role of innovation in competition and the international division of labor. Innovation occurs in the creation of new products, processes, sectors, and activities, thus driving structural transformation, which in turn reinforces the incentives for innovation in a virtuous process of production that increasingly values the generation of added value based on knowledge. However, as historical experience shows, this process is not automatic or spontaneous. Internal capacities, institutions, and policies play a key role in supporting innovation. Furthermore, innovation alone is not sufficient, nor is it a magic bullet that will solve the region's technological-production underdevelopment problems. As Dani Rodrik (2016) underscored, what improves standards of living is the effect of technological innovation on the productivity of the entire economy, not innovation in itself. Although it is true that we live in an accelerated age of revolutionary technological breakthroughs - including artificial intelligence, biotechnology, digitalization, and automation - there is no consensus on where these achievements will lead us. There are techno-optimists, techno-pessimists, and a third group that could be called the techno-worriers. This last group agrees with the optimists, according to Rodrik, about the scale and scope of innovation, but frets about the adverse implications for employment and/or equity; the focus of debate is about the spread of these innovations.[8]

The central question is whether these innovations will remain contained to a few tech-intensive sectors that employ the highest-skilled professionals and account for a relatively small share of GDP, or spread to the bulk of the economy. This ultimately depends on how quickly innovation diffuses through labor and product markets. As regards diffusion, Rodrik (2016) noted a series of restrictions on both the demand and supply sides of the economy. On the demand side, for example, the United States experienced the most rapid productivity growth in information and communications technology, while government services and health care had virtually no productivity growth. On the supply side, the key question is whether the innovating sector has access to the capital and skills it needs to expand rapidly and continuously. This last factor is, as we know, a big problem in Global South countries, including Latin America, whose workforce is essentially low skilled. This scarcity comes into play once manufacturing operations become automated and require highly-skilled workers, who tend to be in short supply; developing countries lose their comparative advantage vis-à-vis industrialized countries. In a world of "premature deindustrialization," achieving economy-wide productivity growth becomes that much harder for low-income countries. Rodrik (2016) cites the economist Tyler Cowen, who has suggested that these countries may benefit from the trickle-down of innovation from advanced economies, consuming a stream of new products at cheap prices. However, the question remains: What will these countries produce and export - besides primary products - to be able to afford the new products (e.g. cellphones) imported from advanced economies?

As the statistics show, economy-wide productivity has stagnated in Latin America. Rapid productivity growth in the pockets of innovation has been undone by workers moving from the more productive to the less productive parts of the economy, a phenomenon that Rodrik (and his colleagues) have

8. This is Trump's great mistake; "unfair trade" is not responsible for the destruction of thousands of jobs in the industrial chain in the United States, but rather the technological revolution.

called "growth-reducing structural change." This clearly shows that innovation can co-exist side-by-side with low productivity, and the opposite is true, i.e. productivity growth is sometimes possible in the absence of innovation, when resources move to the more productive sectors (Rodrik, 2016). Additionally, on the theme of sustainable and inclusive development, the topic of innovation and the use of technology should be seen in terms of the principle of "technological fairness," which puts access to and use of technology at the heart of the debate as we consider how innovations and technologies can contribute to solving urgent social and environmental issues. This is a relationship that has not been investigated much until now (see Trace, 2016).

Despite the fact that all the BRICS have invested significantly in science and technology for the past two decades, only China and India have been successful in exporting high-tech products in certain sectors. China, which had become the world's workshop until recently, is actively working to transform itself into an economy of innovation. In order to do so, it successfully set out to attract thousands of startups from all over the world, in an initiative comparable to the birth of Silicon Valley. In 2015, China invested massively in ten areas of economic priority; the amount of investment stands at ¥5.3 trillion yuan (approximately $319 billion dollars), distributed over 800 funds (Giesen, 2017). Beyond China and India, the rest of Global South countries mostly continue to export low-tech products. In the 2011 Global Performance Index (GPI),[9] which consists of 96 countries, six Latin American countries are among the top 50: Chile (5), Argentina (22), Brazil (23), Mexico (37), Colombia (40), and Peru (43) (Kappel & Pohl, 2013, p. 5). Between 2000 and 2008, the growth in Brazil's productivity was only 3.6 percent (per employee - 1.3 percent); in China it was 10.2 percent (9.2 percent), and in India, 7.5 percent (5.4 percent) (Kappel & Pohl, 2013, p. 4). These figures show that efforts to date are not enough to accelerate the process of catching up in Latin America.

5.5. Can China replace the United States in Latin America?

If the United States under its new administration actually deepens its inward-looking strategy and continues to distance itself from its southern neighbors, could China fill this vacuum and support Latin America to increase its competitiveness and improve its insertion into the international economy? Foreign relations, especially the adoption of new trade agreements and innovations, play an important role in China's new normal strategy designed on the basis of annual growth of around six percent. In one recent study, the IDB investigated the impact on innovation of trade agreements between China and ten countries, three of which are Latin American (Chile, Costa Rica, and Peru) (Chelala, 2016). The interconnection between trade agreements and innovation chiefly appears in four areas: technical cooperation; technology transfer; research, development, and innovation; and intellectual property patents. For these four areas, the IDB figures clearly indicate a modest impact of these trade agreements on the ten countries chosen. However, more agreements, countries, and indicators are needed to obtain more solid results. In any event, if we look at the region as a whole, there is evidence that the participation of Latin America in global value chains (GVCs) is substantially inferior to that of other regions. Within the current rules of the game, participation in GVCs is seen as very important, given that value-added supply chains are playing a growing role in the global economy, mostly dominated by the key players of the OECD[10] countries. However, leading companies from Global South emerging powers often occupy dominant positions in quasi-hierarchical value-added chains, co-determining governance in these chains and performing a leadership function, whether through subcontracts and vertical integration for the region's leading technology companies, or via technology transfer, profit distribution, and restricting access to value chains.

9. The GPI is an instrument for measuring the performance capabilities of 100 countries. The indicators show the development of trade, institutions, education and training, infrastructure, the financial system, and income per capita.
10. In recent decades, transnational companies have taken advantage of the global policy of investment incentives, lowering of taxes and customs duties, fostering of trade, and the deregulation of labor markets. Today, the global value-added chains of the OECD control 80 percent of world trade.

These Global South companies are therefore a telling indicator of the positioning of a country within an international economy (Kappel, 2014). Closing the technology gap will not be easy, but there appears to be no alternative. In terms of trade diversification, only Chile, Colombia, and Costa Rica are at the same level as China, while innovation capital in Latin America is much lower than in the OECD. According to the World Intellectual Property Organization (WIPO), in a ranking of 128 countries led by Switzerland, Sweden, and the United Kingdom, only one Latin American country ranked among the top 50: Chile, at position 46. Outside of the top 50, Costa Rica ranked at 53 and Mexico at 58; these countries were followed by Panama (63), Colombia (65), Uruguay (67), Brazil (69), Peru (70), and Argentina (76). Bolivia, the last Latin American country on the list, came in at 106 (Agencia EFE, 2017). By contrast, in the ninth edition of the Global Innovation Index, China has become the first middle-income country to be in the select group of the top 25 countries (Agencia EFE, 2017).

5.6. Education and scientific output as key areas

As the OECD'S most recent report indicates, Latin America ranks below the global standards for academic performance based on data from the 74 countries that participate in the Programme for International Student Assessment (PISA). One could object to the design of measurements such as PISA, but it is undeniable that it offers a comparative framework of competencies that today seem very relevant to the performance and participation of countries in globalization. Of the Latin American countries that participated in the evaluation of competencies recorded in the report, only Mexico and Argentina are above average in the relationship between economic situation and academic performance. A comparison of Latin America's formal education with that of China shows remarkable differences in many aspects, favoring China. According to data from the PISA report, of the 72 countries that participated, China occupies sixth place in mathematics; tenth in science; and 27 in reading skills. Conversely, the ten Latin American countries that participated are ranked in the lower half. The superiority of the Chinese school system is also reflected in other indicators, such as school autonomy, duration of the school year, the daily number of teaching hours, the amount of teacher strikes and absenteeism, the professional requirements for hiring teachers, and, in general, the value and importance that society and students ascribe to education, aiming to obtain good results, and professional growth (Vélez Bustillo, 2017). To improve this deplorable situation, the report suggests public policies such as the creation of challenging learning environments, the participation of parents and local communities, encouraging students to make the most of educational opportunities, and offering focused support for students (OECD, ECLAC, & CAF, 2015).

Another indicator that has to do with competitiveness is a country's scientific output. According to the Scimago Institutions Rankings (SIR), which measures scientific output, rates of international collaboration, and the impact and percentage of documents published in journals with international prestige by higher education institutions in Latin America and the Caribbean, Spain, and Portugal, although scientific output continues to increase in the region, it lags behind the world average. Research continues to be concentrated in a few universities and, although scientific output is growing quickly (it has the second highest growth in the world, after Asia), it still only accounts for four percent of the world total. The rate of impact of most research conducted in the region is also below the world average, and the visibility of its scientific output is modest to say the least. One reason why the region's scientific output is scarce is that the community of internationally active researchers is relatively small, as is the percentage of GDP dedicated to research.

To make the most of China's transformation and its offers of cooperation, the region should, beyond the education sector, invest substantially in the quality and adequacy of competencies and in rectifying deficiencies in infrastructure and logistics. Furthermore, improvements are necessary in government regulations, institutions, and capacities to develop profitable projects, environmental sustainability, and a greater commitment to transparency and good governance.

6. Conclusions: A transition towards deeper integration, larger investments in science and innovation, and sustainable development is the best way to gain greater international importance

There is no doubt that the emergence of a new world order; decentralized globalization; the changes in international economic policy, the fundamental feature of which is the rise of the Asia-Pacific region; and the emergence of a series of mega-regional trade agreements will directly impact the policy of Latin American regionalization and will reconfigure the economic policy coalitions in each of these countries. It is already apparent that the PA is attractive beyond the four Latin American signatory countries (Mexico, Colombia, Peru, and Chile), as seems to be the case for Argentina and Brazil under the governments of Macri and Temer, who are very interested in reconsidering their international economic participation. With the swing to center-right governments in the region and their focus on economic openness, encouraging foreign investments, and improving access to capital markets, these strategies for international participation will once again dominate the region, as they did at the start of the 1990s. This occurs, paradoxically, at a historic moment in which an antiglobalization faction is growing in Europe and the United States, increasingly distancing itself from openness and multilateralism[11] and casting doubt on the role of these nations as the driving force and guarantor of multilateral economic order. In the words of Alejandro Frenkel (2017):

> While the consensus on free trade and globalization in the West is sinking like the Titanic, the liberal governments of Latin America have become the orchestra on the mythic transatlantic ship. Disorientated by an unexpected scenario, it remains to be seen whether they end up on the lifeboats thrown by China or whether their refusal to recalibrate their models of economic participation and their foreign alliances end up sinking them into the depths of the ocean.

It is still an open question as to whether China will really put greater openness of its markets into practice, i.e. renounce protectionist customs duties and dumping measures in the export sector in the future. The giant continues growing, although "only" at rates of 6.5 percent to seven percent. Enormous sums have been invested in large infrastructure projects and the real estate market is heating up again, causing many Chinese people to move their money abroad. On the other hand, the yuan, which was always weak against the dollar, continues to lose value. Exports are no longer the main engine of growth and demand for natural resources has fallen, which above all affects South American countries. Moreover, the Asian country faces other problems. Debt has grown over the past decade, from 150 percent to 260 percent of GDP, which is two and a half times its economic capacity. Companies, particularly state-owned ones, are the biggest debtors. China needs even more credit to generate growth, but two thirds of the new credits are needed to pay interest. The real estate sector, which continues to be the most lucrative to date (a permanent temptation for investors, including the state) is out of control and tainted by endemic corruption; available credit is cheap and environmental pollution in megacities is becoming increasingly unbearable. The growing movement of labor-intensive production to other Asian countries has increased the already high percentage of unemployed Chinese that are searching for jobs that no longer exist in the industrial clusters or in the rural interior regions. As a result, the number of social protests has grown exponentially, threatening the country's stability, even when the monopoly on power of the Communist Party nomenklatura has so far remained unquestioned. Economists recommend aggressive privatization of state-owned companies as an exit strategy, but this would mean a loss of control for the Communist Party and mass layoffs, which would further increase social protests, possibly even making them uncontrollable. Nothing worries the government more than an increase in instability (Köckritz, 2016).

11. The distancing of the U.S. government from liberal creed is not comprehensive, as it only applies to those cases that involve, according to the Trump administration, "unfair trade," i.e. trade that threatens the U.S. economy and destroys jobs.

6.1. The reaction of Latin American governments to Trump's victory and the wooing of China

The reaction of Latin American governments to Trump's victory and the wooing of China is naturally heterogeneous and reflects the underlying economic, political, and ideological differences that exist in the region and the different degrees to which countries could be affected both by U.S measures and offers from the Asian dragon. First, the Southern Cone countries have found the need to recalculate their foreign policy and strengthen their ties with countries such as China. At least in its rhetoric and international presence China has become the great defender of free trade and globalization (despite its protectionist practices),[12] and less decidedly with Europe, while hoping that this change does not mean losing its privileged connection with Washington. This redesign is easier for countries such as Chile and Peru, which already have bilateral trade agreements with the United States, than for Mercosur's Brazil and Argentina, whose negotiations with the EU have been at a standstill for more than 15 years, although they have now apparently been unblocked. If we add the faction of countries from the Bolivarian axis (Venezuela, Bolivia, and Ecuador), which have profoundly anti-United States feelings (Venezuela) or a demand for greater autonomy (Ecuador and Bolivia), it is clear that we cannot expect, in the short and medium term, a consistent strategy for international participation from the region one way or the other, and even less if we take into account the multiple weaknesses of the two most powerful countries: Brazil and Mexico. Unification of a common position continues to be conspicuous by its absence. The contradictory declarations within the framework of CELAC, as Alejandro Frenkel (2017) emphasized with good reason, are more wish lists than an articulation of a unified policy. All of this exists within a global context in which the process of accumulation is shifting toward the Asia-Pacific region, which will cause changes in competitiveness as regards the links of production chains, in the profit calculations of different sectors of the economy, and in countries' patterns of international participation. Latin America should decide whether the region, or at least some of its members, will take advantage of this development and advance towards both a more active participation in the international economy and towards sustainable development. The other option would be to remain in its traditional role as a supplier of raw materials. For these changes to occur, it is necessary to rethink trade policy to make it less ideological and more realistic and pragmatic, so that losers can be identified and suitably compensated. Finally, trade policies have to be compatible, as we have already underscored, with other internationally-approved regulations and frameworks of reference, such as the ILO's Decent Work Agenda, the 2030 Agenda for Sustainable Development, and the Paris Agreement (Schillinger, 2016).[13] What is lacking in Latin American is ample debate on the true effects of mega-agreements on the region's development, which should not only include governments, but also the middle class, unions, low-income sectors, multilatinas, and academia. In order to reconcile these trade agreements, whether bilateral, regional, or mega-regional, with the SDGs, we would have to consider a widely-verified phenomenon: a blind faith in globalized markets results in the continued disengagement of the poorest in the world, as the costs of environmental damage are externalized. In that direction, instead of complaining about the Trump administration's withdrawal from the TTIP and TPP mega-agreements, we should take advantage of this situation to ensure a new multilateral momentum inspired by, for example, the spirit of the previous sessions of the United Nations Conference on Trade and Development (UNCTAD), towards a new economic world order that, among other aims, puts an end to the closure of wealthy countries to imports from the Global South, establishes fair and transparent trade rules, meets the work criteria of the ILO, and promotes cooperative development.

12. According to the OECD, the Chinese economy is the most closed in the world.
13. It is at least suspicious that most of the debate on the PA and its advances and impacts on participating economies is more of a Latin American monologue, while its Asian counterpart has remained practically silent.

6.2. COP21 as a guiding principle towards a reconfigured Global South and worldwide sustainable development

The results of the COP21 in Paris mark the path towards more sustainable development worldwide. However, meeting the COP21 commitments with alternative development is going to be difficult due to its fundamental contradictions, the positions and interests of the signatory countries, and the influence of powerful economic actors who are attempting to limit its potential impact. The main buzzword is decarbonizing energy systems. In many Global South countries, there is no policy to this end or the policies implemented are insufficient (Lay & Renner, 2016). Taking into account the region's possibilities and its rich energy resources derived from renewable sources, Latin America is well positioned to transition towards more sustainable development.[14] The 2030 Agenda for Sustainable Development, despite its deficits in terms of converting the 17 SDGS into sub-goals and indicators, [15] represents undeniable progress. The agenda foresees not only guidelines for national policies, but also a new path for international technical cooperation (ITC) in the region, characterized by the entry of new actors, new modes and schemes of financing, interdependence between the various cooperation agencies, strengthening of South-South cooperation (SSC), and exploring new routes for investment flows and cooperation in a reconfigured Global South (Aynaoui & Woertz, 2016). All Latin American countries have stated their willingness to adapt their domestic cooperation frameworks in alignment with the new development agendas, such as the 2030 Agenda for Sustainable Development, the Financing for Development Agenda, and the Aid Effectiveness Agenda. The COP21 Agreement in Paris marked at least outlined the path to sustainable development worldwide. Thanks to its high energy potential derived from renewable sources, the Latin American region presents significant opportunity to transition towards a model of sustainable development, although thus far, the region has not adequately taken advantage of this opportunity. One very specific step towards a new form of development would be to change the course of the economic system in support of the common good, thus following the goal of economic activity as defined in many democratic state constitutions (see Felber, 2016). In a recent working paper, the Peruvian Agency for International Cooperation (APCI) analyzed the role of regional cooperation within the new framework of the Global Partnership for Sustainable Development (GPSD) (Agencia Peruana de Cooperación Internacional [APCI], 2016). The working paper concludes that it is not about applying traditional models of the North-South divide,

> but about reconceptualizing it based on new discussion points: the value of domestic resources, interpretation of the universality of responsibilities in conjunction with the principle of Common but Differentiated Responsibilities (CBDR), transfer of green technologies and the 'green economy',[16] the role of private enterprise in ICD [international cooperation for development], management of public assets, [and] the role of SSC within the international system of cooperation for development. (p. 39)

Committing to international cooperation is important but insufficient, because it does not take into account the fact that alternative development is only achievable on the basis of an inclusive approach, i.e. with strong participation from civil society. The change towards sustainability can be successful only if a new state-market-society equation is being created, as underscored by the ECLAC re-

14. According to the IDB report Rethinking Our Energy Future (Vergara, Alatorre, & Alves, 2013), the energy potential of Latin America's natural resources would be sufficient to cover the region's electricity demand by more than 2.2 times in 2050.
15. As Daniel Dückers highlighted, achievement of the 17 SDGS has been deficient if we take the agenda's central goal seriously: sustainable welfare for everyone. This is a serious omission, above all regarding one of the key goals: fairer distribution of material goods, which is practically not addressed by the agenda. Without a change of course in the area of distributional fairness, we cannot expect progress; rather we should expect the opposite (Dückers, 2017).
16. It is worth mentioning that the "green economy" is a widely-debated concept. Each case would therefore need to specify in detail which version of this concept is being used. This debate cannot be summarized here due to lack of space.

port Horizons 2030: Equality at the Centre of Sustainable Development (2016b). The authors recognize that the transformation of commitments and decisions into active policy in the region implies a long-term commitment and requires answering a series of questions that include, among other issues, the future of regional integration, the construction of joint visions and positions, the construction of a common platform for successful insertion in global processes, the type of relationship between the state and other actors, and finally, the measures to be taken to counteract structural development challenges in the region, such as inequality and the distribution of wealth (APCI, 2016, pp. 40ff.). Finally, the success of development under the SDGs is decided in an "unruled G-Zero world" (Bremmer, 2012) at the national level and, remembering the old adage "all politics is local," at the local level. The 2030 Agenda is ultimately a sociopolitical assignment from the international community for the local level.

As said at a recent conference organized by Spanish think tank the Barcelona Centre for International Affairs (CIDOB), there is broad consensus between international experts that the transition towards a low-carbon energy system is unstoppable, and that the structural change towards economies that respect the environment is an absolute necessity today (Barcelona Centre for International Affairs, 2017). However, the Trump administration's clear resistance to following the climate change policy set by the Obama administration represents a step backwards.

6.3. Towards a reinforced integration based on sustainable development

In terms of the region's integration as a springboard to the world market (a goal adopted since the 1980s) Latin America needs more integration, not less, including addressing environmental issues more firmly (Blanco Jiménez & González Blanch, 1999-2000), such as the negative collateral impacts of the socioeconomic advances of recent years, perceptible in greater atmospheric pollution in urban areas and significant deterioration of various natural assets, such as nonrenewable resources, water, and forests. These problems have the potential to erode the very bases that sustain economic dynamism and demand a transition in the coming years towards a sustainable development that preserves economic, social, and natural resources for future generations. This goal implies abandoning a type of regionalism that has predominated until now and which has reinforced national and regional sovereignty based on presidential authority, so-called "inter-presidentialism" (see Malamud, 2010; Legler, 2013; Gómez Mera, 2013). A type of regionalism is required that reinforces sovereignty beyond isolated national capacities, demanding regional and global responses; no less importantly, it must be achieved within the framework of economic development with great equality and social inclusion and on a path of growth with low carbon emissions (ECLAC, 2016b). Greater integration that addresses these challenges would help reduce the region's vulnerability to external phenomena and react to the shift in economic power towards Asia and the Pacific, the acceleration of technological changes, climate change, global governance challenges, and new security threats. The response to a world without a clear course cannot be isolation, which would be the equivalent of following Donald Trump's mistaken path, or the belief that the market will fix things by itself. To leave the dead-end street of extreme dependence on traditional comparative advantages (natural resources), countries must deploy specialization strategies, diversify their foreign economic partners, and seek new forms of financing and participation in the world economy. This means, according to the recent proposals of Sergio Bitar (2016):

1) Overcoming Mercosur's exhaustion, expediting and authorizing individual negotiations, and striking a free trade agreement with the EU.

2) Setting in motion common projects between Mercosur and the PA: infrastructure projects, bi-oceanic corridors, electrical and energy integration, setting up joint marketing boards in Asia and Africa, [and] joint research to incorporate more technology in enterprises.

3) Articulating value chains around advanced technology sectors.

On June 1, 2017, Donald Trump carried out his campaign pledge and announced that the United States would withdraw from the Paris Agreement.

This process, however, is neither quick or automatic, because the Paris Agreement establishes that countries cannot withdraw during the first three years and, should they decide to withdraw, the withdrawal will not take effect until one year afterwards, i.e. in formal terms, the United States will continue to form part of the climate agreement until 2020. Nevertheless, the situation is different in practice, as Trump has already approved various regulations that dismantle Obama-era policies to combat climate change, undermining the country's efforts to reduce its emissions. Even without Trump's counterproductive policies, it was estimated that the United States was not going to completely fulfill its commitment to the Paris Agreement. This reversal by the United States has reduced the country's capacity for leadership and left a privileged space that China, with the most emissions in the world, has shown signs of wishing to occupy. Although Trump's solitary decision is an undeniably disastrous sign for the international community that might cause a chain reaction, it may also be a call to the other 196 signatories of COP21 (only Nicaragua and Syria did not sign) to close ranks and redouble their efforts to fulfill the Paris objectives and the SDGs. In fact, the initial reactions to Trump's decision point in this direction. The High Ambition Coalition (HAC), whose members include Chile, Brazil, Mexico, Germany, the Netherlands, Luxembourg, and New Zealand, among others, stated that it was "deeply disappointed" and underscored that the agreement was not a matter up for discussion (Rocha, 2017).

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Undoubtedly, Latin America, like the rest of the world, is in a phase of profound transition. Recent regional and global events, such as the sharp drop in international prices of raw materials; the exhaustion of the progressive cycle in the region;[17] economic stagnation; new regional and interregional coalitions, such as the BRICS and MIKTA (Mexico, Indonesia, South Korea, Turkey, and Australia); the G20; and the negotiations of new trade mega-agreements are signs of a new period and a watershed for regional interests, increasing intraregional fragmentation, hindering common strategies towards the outside world, and weakening the presence of Latin America on the international stage as a collective, cohesive, and important actor. However, these changes also open up new opportunities, as shown by Horizons 2030, published by ECLAC (2016b), and the Institute for the Integration of Latin America and the Caribbean's publication Eco-Integration in Latin America (2017), a collective work by thirty international experts presented in April 2017.

If the region's governments are willing to follow guidelines like those mentioned above or similar ones and implement measures that favor structural change, in other words a socially fair and ecologically sustainable transformation, the region could take an important step towards a culture of equality and sustainable development and gain more importance on the international stage.

17. There is broad debate over what has reached its end: a progressive cycle, an age, a series of electoral victories by the left, or merely a progressive narrative. It is too early to tell what the answer to that question is today.

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