



**Faculty of Legal Sciences**

**International Studies Major**

**THE PERFORMANCE OF CHILE IN  
INTEGRATIVE PROCESSES IN THE SOUTH  
AMERICAN REGION: THE CASE OF  
MERCOSUR**

**Degree work prior to obtaining the Bachelor's  
degree in International Studies**

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## **DEDICATION**

To my family and friends, who throughout my life and throughout this project have been a great help and gave me unconditional support whenever I needed it.

## **GRATITUDE**

To my tutor and court, who guided me during the preparation of this project, as well as to all the professors from whom I had the opportunity of learn throughout this career.

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## SUMMARY

This paper seeks to analyze the performance of Chile in integrative processes that have taken place in the South American region. Emphasizing the case of the Common Market of the South and reviewing specific historical processes such as the evolution of integration mechanisms, the development of the policy that has characterized this country over time, and certain factors that influenced Chile in terms of its way of acting in the international arena; a fact that will allow highlighting specific differences for which Chile is attributed its current status in the global panorama.

**Keywords:** Chile, Integrative processes, South America, Mercosur.

## ABSTRACT

**(Times new roman, bold, capital letters, centered, 12 points, trailing spacing)**

This paper seeks to analyze Chile's performance in integration processes that have taken place in the South American region. Emphasizing the case of the Southern Common Market and reviewing specific historical processes such as the evolution of integration mechanisms, the development of the policy that has characterized this country over time, and certain factors that influenced Chile in terms of its way of acting in the international arena; a fact that will allow highlighting specific differences by which Chile is attributed its current status in the global scenario.

**Keywords:** Chile, Integration processes, South America, Mercosur.



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# **Chile's performance in integration processes in the South American region: the case of Mercosur**

## **Introduction**

The situation South American countries are experiencing is well known to foreign eyes, perhaps to a lesser extent. However, indeed a reality for people who grew up in those countries, the lack of trust between them being somewhat evident, since although there is cooperation, there are some recurring factors such as corruption within each country and an evident lack of goodwill when relating that hinder both negotiation processes and processes from strengthening their ties, among other things.

For a long time, the countries of South America tried to adopt or, in some instances, replicate a model of cooperation between them similar to those in the rest of the world, such as the European Union. However, although several integration mechanisms already exist, none of them came to function in the way expected, and neither did they have the weight that many others have worldwide; In addition, it is evident that another of the factors for which they continue to fail is the existence of multiple organizations instead of just one that, in addition to effectively solving the problems of each member and being fair in its resolutions, generates a feeling of shared identity, this because even though this feeling of being "Latino" already exists,

Despite all these factors, there is a country that, keeping to the limit when it comes to being included in integration organizations, talks about being an observer member instead of a full member, either for different reasons such as internal problems or its reasons, is one of the that managed to integrate in a good way in the international arena. In this case, reference is made to Chile, which, as is well known, is one more of the countries that had to go through several problems throughout history, such as the years of dictatorship at the beginning of the '70s or discontent in its population in recent years, but even so, it is one of the best-positioned countries in South America,

On the other hand, Chilean politics and its evolution will also be discussed in conjunction with the integration organizations of which this country was a part, taking into account the same period mentioned above to later reach the case of the Southern Common Market. (MERCOSUR), which will be dealt with in greater depth compared to the other organizations since what is wanted is to analyze how Chile acts within this specific organization and, through this analysis, demonstrate how Chile has managed to get ahead in cooperation issues and what it is that briefly made it a country that is not lacking when entering these areas, as well as being able to have an idea of how it forged its alliances and earned the trust of the other countries with which it is related.

## **Objectives**

### **General objective**

Analyze the performance of Chile in integration processes in the South American region: The case of MERCOSUR.

### **Specific objectives**

1. Relate the evolution of integration mechanisms from ALALC.
2. Examine the evolution of Chilean policy in integration processes from ALALC to the present.
3. Analyze the performance of Chile in integration processes in the South American region: The case of MERCOSUR.

## **Theoretical framework**

### **Evolution of the most notable regional integration mechanisms in South America**

In order to understand how Chile acts in the field of regional integration mechanisms, one must first understand how the "terrain" in which this country operates works, that is, how the integration mechanisms in the region have worked. Over time, its constant evolution has conditioned the behavior of the countries that make up the South American bloc in a certain way. It has shaped the mechanisms that appeared and will surely be the same as those that arise in the future.

#### **LAFTA - Latin American Free Trade Association**

First, we have the Latin American Free Trade Association, known as ALALC by its acronym, and have Argentina, Brazil, Chile, Mexico, Paraguay, Peru, Uruguay, and Venezuela as founding members. This is the first regional integration organization in South America, appearing in the year 1960 from the Montevideo treaty, which occurred thanks to some critical factors, among which stands out the fact that, in the words of Janka, H (1975), urged by the International Monetary Fund and GATT, the Latin American countries declared their willingness to abandon their bilateral relations in favor of multilateral ones. However, at the same time, they were only willing to give up the reciprocal preferences granted then bilaterally. Besides,

It is then that one of the main objectives of this organization, if not the main one, was to create a free trade zone in which tariffs for imports and exports of its members could be eliminated or reduced over time. At the end of the '60s, the first fractures within the organization were already evident because the previously mentioned objective did not proceed as expected; ironically, thanks to one of the GATT articles that initially was one of the reasons that led to its creation and that is that according to Ghiggino (2011), In Article 24 of the General Agreement, the contracting parties were authorized to form only projects of free trade zones or customs unions,

Another factor to highlight is that in the last years of the '60s, more specifically in 1967, an event occurred that, although it was not what caused this organization to collapse, fragmented the relations that existed between the member countries. and it is that the LAFTA countries proclaimed at the Punta del Este conference in 1967, the desire to establish a Latin American common market in fifteen years from 1970.

It should be clarified that:

The objective was never reached since by the end of the 1960s, there was a fracture between the so-called commercialist countries, Argentina, Brazil, and Mexico, and the so-called developmentalism, Bolivia, Chile, Colombia, Ecuador, and Peru, creating the latter, although without ceasing to belong to ALALC, the Andean Pact through the Cartagena Agreement in 1969 (Barbosa, 1993, p. 12).

Going back to the previous point about the problem presented by Article 24 of the GATT, it can be added that years later, when Chile and Argentina went through the situation of their internal dictatorships, what they were looking for were ideas opposed to those of the rest of the countries that had entered into this dictatorial era, which also points to the United States as a factor of interference in the path of ALALC, since in addition, as is known, the belief that the latter country was the one that initially facilitated the entry of dictators into the countries of South America is something present to this day. Thus, in the words of Ghiggino (2011) for 1978-1979, no clause of the 1960 Montevideo Treaty was respected, and inter-American trade (which had been reduced since the mid-seventies) was carried out outside of it. Faced with this situation, the countries of the region finally decided to give a new impetus to integration, but this implied ending ALALC and replacing it with a new Montevideo treaty that would



finally take place in 1980 and result in the Latin American Association of Integration, which will become known as ALADI, thus ending the first Latin American experience of regional integration.

Thus, we arrive at the year 1980, when, as previously mentioned, on August 12 of the same year, the Latin American Free Trade Association appeared thanks to a new Montevideo treaty, maintaining its ideals similar to those of its predecessor, ALALC, being these are to promote both economic and social cooperation among its members, among which we can find Argentina, Bolivia, Brazil, Chile, Colombia, Ecuador, Mexico, Paraguay, Peru, Uruguay and Venezuela.

### **ALADI - Latin American Integration Association**

Regarding ALADI, it can be noted that at the time of its formation, there were the winds of change since they were faced with failures that they knew they could not repeat, so during its first years, this free trade zone began to function again. They began to venture into creating mechanisms to advance in issues of transportation, mobility, energy, and the environment, among others.

Years later, in 1990, ALADI faced problems such as the crises experienced in Latin America and found difficulties in the face of new regional integration projects such as MERCOSUR. However, this did not stop ALADI from advancing in matters of cooperation and integration since it managed to gain partners such as Chile and Mexico, which came to sign a free trade agreement with the association, among other achievements.

At this point, it is worth highlighting three of the main aspects with which ALADI was born and are still used within the association today:

Preferential Treatment (Espinosa, 1982):

-Ecuador, a country with relatively less economic development, and Bolivia, Paraguay, and Uruguay are expected to receive preferential treatment and particular franchises.

-Treatment of the Most Favored Nation:

Any advantage, franchise, or privilege a contracting party applies concerning a product originating in or destined for any other country will be immediately and unconditionally extended to a similar product originating in or destined for the other contracting parties.

-Saving clause:

Being emergency restrictions that a member country adopts as a consequence of an eventual event that affects its economy, it could impose taxes, prohibitions, or limitations for matter, but temporarily, until the cause that originates the measure ceases.

Although some defend that this association has yet to achieve much compared to its predecessor, some data show the opposite, such as that some countries have seen joining ALADI as an advantage for their situation. To substantiate this comment, we can go back to the year 1999, the year in which the first accession to the project took place; In this case, we are talking about Cuba, which joined as a full member through the same Montevideo treaty (TM80), through which the initiative was founded. We can also talk about the same case, but this time referring to Panama.

In addition, in the repositories of the official ALADI site, you can freely access a comprehensive history of both the historical and current agreements that this association maintains with its different members, among which you can find Partial Scope Agreements (AAP) which address topics such as the renegotiation of historical heritage, promotion of trade and agriculture as well, or Regional Scope Agreements (AAR) which focus on issues of opening markets, tariff preferences, scientific cooperation and cooperation and exchange

of goods in cultural areas, education, and science. Regarding its activities, talks, seminars, and courses can be highlighted in which its members present advances and share their experiences in favor of progress,

### **Andean Community of Nations (CAN)**

The following case is the Andean Community of Nations, one of the region's oldest integration organizations. Originally named the Andean Pact, this organization was founded in 1969 based on the Cartagena treaty, with Bolivia, Colombia, Ecuador, Peru, and Chile as members. However, the latter country would withdraw a few years later due to problems in its internal situation. Taking this event as the point from which this organism would go through a series of transformations.

Initially, when the community arose under the name of the Andean Pact; the reason why this community was founded is that, according to Contipelli (2016), the need to prepare the economy of the countries of the region for the demands of the international market, stimulating the interregional trade, industrialization and the consequent harmonious development of its members.

As previously mentioned, the fact that a member like Chile withdrew from the community presented some problems for it, being the case that, on the one hand, the latter country was excused from its obligations and rights due to the situation of difference of interests between President Augusto Pinochet and the Andean Community. While on the other hand, around the year 1978, the situation that the remaining countries were experiencing can be described in the words of Vieira (2004), who tells us that "the process in its growth dynamics was stopped, by reestablishing obstacles to the trade through unilateral government devices, which seriously affected the credibility of part of the productive sector and made understanding between countries difficult,

Sometime later, in 1993, the community-made one of its most outstanding achievements as an organization, and that is that this year it would be Ecuador who would propose the idea of suspending tariff rates for the countries that made up the Andean Community. Finally, this would be possible with the appearance of the AEC or Common External Tariff, which according to several studies, is a characteristic that should not be left aside within the history of the CAN since it is an excellent step for it. On the other hand, in 1997, this organization witnessed a change within its structure through two protocols that took place in 1996 and 1997.

The integration became not only technical and commercial but also political in content, by inserting the Andean Presidential Council and the Andean Council of Foreign Relations Ministers into its structure, in addition to converting the Board of the Cartagena Agreement into a Secretary General with political functions, thus originating the Andean Integration System and the Andean Community in replacement of the Andean Pact (Contipelli, 2016, p. 5).

Going a few more years into the future, it can also be emphasized that in 2001 the CAN created the Andean passport, but it would take a few years for it to become obsolete in 2003 since another of the significant decisions of the Andean Community would be to authorize the free circulation for citizens of member countries using only their identification document.

It is for these reasons that, even though the CAN has achieved significant progress, some affirm that significant progress will never be seen due to the lack of political support, as well as the lack of Agreement among its members in order to create standard policies, which it can be seen as a lack of a common perception on the part of the rulers. However, according to Contipelli (2016), there is a consensus regarding the need to maintain and strengthen cooperation between the member countries of the Andean Community and develop their integration process to introduce and give the region a relevant role in the international political and commercial scene.

## **Evolution of Chile's national policy on integration processes from ALALC to the present**

For the first years of the 60s, Chile was going through the government of Alessandri Rodríguez, which can express its internal situation as a kind of war due to the bipolarity that existed at that time due to the confrontation of ideologies between the United States and the Soviet Union, as well as in several South American countries.

As can be seen, Chile's behavior today in terms of cooperation is quite similar to its behavior in the 1960s, a period in which Chile was a member of ALALC since something that can be highlighted is that in 1962 it took place in Chile, the second conference ordered by ALALC, where countries like Chile and Brazil, through their presidents, raised the idea of a conference of ministers of foreign affairs, which for specific reasons could not take place.

For Briceño (2016), this conference could not be given for specific reasons ranging from the political instability of the continent's countries. Secondly, due to the difficulties and inefficiency of its organization, the lost time played against and was not in favor of holding the conference, resulting in political ambiguity regarding the region's integration. Furthermore, this ambiguity produced a deadlock in decisions.

Something curious is that even today, several people maintain a position in which they allege that there was no influence on the part of these two great countries and their ideological-philosophical currents; However, much more accurate theories of the history of this country place these influences as the primary reason for the fragmentation of the government of President Allende which, as is known, later ended with consequences such as his dismissal through a coup. State. With this, an attempt is made to refer to the fact that, in effect, these currents did influence Chile's behavior both nationally and internationally.

An interesting point to highlight in how Chile worked on cooperation issues can be found in the early 1960s, more specifically in 1963, when Chile ventured into African territory to provide technical assistance so that the different countries of this continent could create their integration mechanism which took the name of Organization for African Unity or OAU by its acronym; in addition to being the first country on its continent to establish a diplomatic representative in Algeria.

Looking to the future, Medina (2022) points out the importance that this decade had in international relations for Chile because, as could be seen in the previous paragraph, Chile was already related not only to a country that is quite far away and from the cultural point of view is very different, but instead cooperated with several of them so that they could adopt a cooperation model similar to those that existed in Latin America. However, when mentioning the importance of this decade, what was sought to be referred to is that for these years, Chile was already trying to relate to countries such as the United States and England; among these two, the United States would become a recurring partner since that as Chile advanced, This never stopped receiving support from the North American country, this support being somewhat economical. It is now when, in the words of Medina (2002), it is wanted to clarify that:

Chilean foreign policy matured in an environment of relative global thaw and evolved more self-confident, systematized, and comprehensive. It can be said with great certainty that in those years, Chile gained the international community's growing respect and independence without losing security in the short term.

Moving forward, we came to the year 1970 when Salvador Allende positioned himself as president of Chile. However, he tried to improve the situation of the country. It can be said that he led it to a long-term dictatorship situation just three years after coming to power. It should be noted that although this situation occurred in the same way due to external factors, the exact weight is added to the decisions made by President Allende, among which are poor management of the internal situation in terms of inflation issues. Moreover, the economic crisis, while the situation within the country became increasingly tense and charged with violence due to clashes between factions of different ideologies that came to confront each other in the streets of the country, was another situation that the president found challenging to control. However, two causes directly affected the international situation in Chile, the first being one of

the most judged decisions of President Allende, this was an attempt to nationalize companies, which caused great discontent, and the second was an intervention from abroad. Some say that, at this time, the government of the United States was the country that provided various resources to the Chilean military, who were the main opposition faction for the government of Salvador Allende. The thing that caused great discontent, and the second is an intervention from abroad. Some say that, at this time, the government of the United States was the country that provided various resources to the Chilean military, who were the main opposition faction for the government of Salvador Allende. The thing that caused great discontent, and the second is an intervention from abroad. Some say that, at this time, the government of the United States was the country that provided various resources to the Chilean military, who were the main opposition faction for the government of Salvador Allende.

Years later, in 1974, months before General Augusto Pinochet came to assume the presidency of Chile, a law was promulgated that was called Decree-Law 600; Said law sought to make clear the responsibilities, as well as the benefits that both Chilean and foreign exporters and importers would have when carrying out actions of an economic nature in favor of the country.

Wilhelmy and Durán explain it in a better way, who tells us that:

In economic matters, a "shock" policy was adopted, aimed at forcing the recovery of macroeconomic balances while pushing foreign trade towards a unilateral opening of imports and a strong promotion of exports. The promulgation and immediate execution of Decree-Law 600 in 1974 liberalized the foreign investment regime, which was contrary to the national-statist philosophy of the Andean Pact, an institution in which Chile played an essential role in the years of presidents Frei Montalva and Allende. (Wilhelmy & Duran, 2003)

This law could help the country and integrate it again into international relations. However, once again, the imminent change of president within the country, a case often repeated in Latin America, nullified the last-minute efforts of his predecessor. Consequently, this would leave us with the withdrawal of Chile from the Andean pact in 1976 precisely because of the differences of thought between the objectives and ideology of the international community and the now president Augusto Pinochet.

It is important to note that in terms of international cooperation between the years 1974 to 1990, Chile did not have a significant role because, during this period, Chile was going through dark times under the regime of the military government; some of the ideas of this government being to establish an economic autarky in order to reduce foreign influence in the country both in terms of commercial dependency, as well as investment. Stopping the participation of Chile in some associations of which it was a part, such as ALADI and the OEA (Organization of American States).

The only remarkable thing about these years in terms of cooperation is that not even President Pinochet dared to cut ties with the United States, forming a free trade agreement between these two countries, one more reason to believe in this much-mentioned intervention that the United States had with Chile and several other countries of the bloc.

By the time the dictatorship of Augusto Pinochet finally ended in 1990, the one who succeeded him was Patricio Aylwin, who made it clear that something essential that this country needed was a reintegration or reintegration into the international arena, this idea being the basis of work within his government, for which Chile had to recover almost two decades of cooperation, this through a "re-adoption" of its democratic customs and bowing its head to accept all those consequences that the tide of the dictatorship period gave them.

One of the country's first actions would be to participate again in the OAS, which was previously mentioned when it was said that by the time of the dictatorship, it would notice the absence of Chile in its forums. Now with a fresh mentality, in the year 1991, Chile would host one of these forums, using its capital, Santiago, as the headquarters of the hemispheric commitment of "Promotion and defense of

representative democracy" assumed in the framework of the OAS. Moreover, as Wilhelmy and Durán (2003) inform us, the Chilean government had already begun to recruit new partners, making countries like Mexico, Argentina, Bolivia, Venezuela, and Colombia sign free trade agreements.

Looking towards the European axis, President Aylwin would also become part of a cooperation framework with the European Community. This fact would allow Chile to replicate this action with other countries on the same continent and lay the foundations for other initiatives that would appear over time, among which we can highlight a cooperation and free trade agreement with the EU (European Union) sometime later.

For the year 1994, the one who assumed the position of president in Chile was Eduardo Frei Ruiz-Tagle, who did not have a very different look from his predecessor. In this case, one of its first actions was to strengthen the international economic sector, for which, according to Wilhelmy and Durán (2003), they indicate that "the government tried to reconcile multiple initiatives, seeking to achieve balance and commercial diversification through associations with various regions and subregions in Latin America (particularly with MERCOSUR), with North America, with the European Union, and with the Asia-Pacific region."

Even though, as mentioned, Chile was already willing to sign agreements with organizations such as those previously mentioned, it is at this point that Chile's preference for signing bilateral agreements instead of multilateral agreements can begin to be evidenced while continuing to set aside all these forms or methods of relationship (Unilateral, Bilateral and Multilateral), being the case that in order to achieve an effective international reintegration, Chile saw as something essential the fact of being part of said organizations and strengthening ties with others, which in turn time will allow this country to build a new reputation among other players in the global sphere.

As seen throughout this text, Chile's strategy to return to the world after spending that time in confinement has a lot to do with the evolution of its national policy, which changes along with its foreign policy as soon as international conduct is concerned. This is through diversification in the destination markets and a diversification of exchange addressing issues ranging from culture to information, among others, with many countries.

Below is a list of the different countries and organizations with which Chile has signed agreements in a range of 10 years (1993-2003), provided by (Solis & Rojas, 2007):

- Europe: Association Agreement with the EU (2002) and Free Trade Agreement with the EFTA countries (2003).
- North America: Free Trade Agreements with Canada (1996), Mexico (1998), and the United States (2003).
- Central America: Free Trade Agreements with Costa Rica, El Salvador, Guatemala, Honduras and Nicaragua (1999).
- South America: Economic Complementation Agreements with Bolivia, Colombia, Venezuela (1993), Ecuador (1994), Mercosur (1996), and Peru (1998).
- Asia-Pacific: Free Trade Agreement with South Korea (2003).

Complementing the previous list, it can be added that Chile was part of a trans-Pacific economic cooperation agreement in which it has 11 other members from the Asian region as well as a free trade agreement with several Central American countries which, despite having the name of FTA, Chile-Central America is governed by Chile's bilateral protocols with each country separately, which allows us to see Chile's versatility when it comes to getting involved in integration processes, in addition to the fact that currently, this country has close of 33 current trade agreements.

## **State of the Art**

### **Analyzing Chile's performance in Mercosur**

Before getting fully into what Chile has done within MERCOSUR, it is necessary to talk about the context of this organization, which is related to the integration mechanisms that have already been discussed.

The first thing that can be said about this integration mechanism is that it takes place thanks to various agreements and commitments made between Argentina and Brazil, two of its four founding members, in 1986. This was possible because these countries were part of a bilateral Integration and Economic Cooperation Program. Around the same year, and through more bilateral agreements and negotiations, this time with Uruguay and Paraguay, the four founding members got close enough to form this organization.

Returning to the fact of which integration mechanisms facilitated the creation of MERCOSUR, it must be taken into account that:

Through the Buenos Aires Act -in July 1990- and the Economic Complementation Agreement No. 14 -signed as a partial scope agreement within the framework of ALADI in December 1990-, Argentina and Brazil decided to shorten the term previously established for concretize the common market, one of whose central points is the commercial liberalization program. (Organization of American States, 1995).

Thanks to these facts, the subscription of MERCOSUR members was promoted in March 1991 through the well-known Asunción treaty. It should be noted that for these years, Brazil had an excellent relationship in trade and cooperation issues with the United States, a fact that, as previously mentioned, is quite similar to the situation in Chile, so by the time this organization saw the light, one of Brazil's objectives was to add Chile as a founding member. This was to generate attraction to more countries so that they eventually ended up joining the Common Market of the South. However, for the moment, Chile would decline the invitation, although this situation would not take long to change.

The first years of this organization were lived with a small number of problems, although not really due to conflicts between the members, but rather due to the adaptation period between them. By the year 1994, as indicated by the Organization of American States (1995), the countries that were in the organization had reached an agreement on a standard external tariff which in turn encouraged competitiveness with external countries, as well as achieved the elimination of the internal tariff and the non-tariff restrictions in the same way, which by the way were reasons why Chile did not join the mechanism in 1991.

Something that must be clarified is that, as Valdez (2007) indicates, "With the Ouro Preto Protocol of 1994, Mercosur acquires legal status, which allows it to sign agreements with third parties as a bloc." From this point, MERCOSUR operates as a customs union instead of a free trade zone, the orientation with which this organization was founded.

Turning our gaze towards Chile, it joined MERCOSUR in 1996 through an economic complementation agreement, which is called ACE n.35, which according to several studies, gives Chile a privileged position; It is worth adding that although Chile joined this mechanism, it did not do so as a full member, but as an associated state. Below is a detailed description of what this Agreement provides:

The Agreement deepens and improves the existing regulatory framework on Sanitary and Phytosanitary Measures, Technical Barriers to Trade, Trade in Services, and Investments. It also includes new disciplines on Electronic Commerce, Telecommunications, Public Procurement, Trade Facilitation, and other trade-related matters, such as MSMEs, Competition Policy,

Transparency, Labor, Environmental, Gender, and Trade Cooperation Issues. (Argentina.gov, 2018)

Complementing the previous explanation about the Agreement, among the benefits that this Agreement would bring, we can find some such as facilitating and expediting foreign trade procedures; in addition, it generated an elimination of the barriers to specific products such as manufactures and agricultural products. These benefits could later be reflected in facts such as that, thanks to the Agreement, MERCOSUR positioned itself as the fifth destination for shipments of Chilean exports and, in turn, became the fourth supplier market for that country.

### **Figure 1**

Los principales objetivos del acuerdo dicen relación con:

- la conformación de un espacio económico ampliado, que tienda a facilitar la libre circulación de bienes y servicios y la plena utilización de los factores productivos;
- la formación de una zona de libre comercio entre las partes en un plazo de diez años;
- la promoción del desarrollo y utilización de la infraestructura física, con especial énfasis en el establecimiento de interconexiones bioceánicas;
- la promoción de las inversiones recíprocas; y
- el estímulo a la complementación y cooperación económica, energética, científica y tecnológica.

*Image obtained from: Rodriguez A, I., & Pressacco Ch, CF (2005). CHILE AND THE REGIONAL INTEGRATION PROCESSES IN LATIN AMERICA: ITS ASSOCIATION WITH MERCOSUR. If We Are Americans, Journal of Transborder Studies, VII(1), 85-108.*

Now, although the results of this accession are evident, the question would be why Chile opted to be an associate state instead of a full member. It is here that we can take into account the opinion of Raul Sohr, a Chilean sociologist, who alleges that:

Mercosur has a series of impediments for Chile because it has practically no tariffs, there is no protectionism, and Mercosur is an economic pact, and the countries that make it up have very high tariffs; they are protectionist, so it is complicated for Chile to join, in practice it is impossible. The options that our country has made it relatively incompatible with Mercosur.

(Sohr, 2012, as cited in Rivera & Palma, 2012)

In addition, we can find another point of view very similar to the previous one. However, this one tells us, "The measurement of Euclidean distances showed the limitations of integrationist schemes, such as Mercosur and CAN, which partly explains why Chile has remained out of them" (Jenne & Briones, 2018). This Euclidean distance is the space that exists between two points. In this case, this argument can be interpreted as the distance between the members and the long deliberation process between them when deciding. This fact is influenced by the difference in ideas and objectives that each country pursues, which results in very few times agreeing on something, precisely what Chile wants to avoid.

In 1997, a change in the relationship between these two parties can be seen, considering that their relationship was based more than anything on commercial matters. Despite continuing to have a strong presence in this area, both subjects would begin to strengthen their relations on issues of collaboration and cooperation on non-economic issues, thanks to the initiative of Chile through its adherence to working groups within MERCOSUR, which had the purpose of identifying and dealing with issues of interest that

include both member countries and third parties concerning integration issues. However, although Chile would have accepted invitations to participate in other meetings, it always did so from a guest position, which would sometimes cause problems since it could only partially use its voice.

In addition, as time progressed, Chile sought to form part of the different instances within the organization. However, it would not take long to find those who disagreed with the idea, being the smallest countries, such as Uruguay and Paraguay, who were opposed to Chile's inclusion in these institutions, alleging that if it does, it should first be included in the different standard trade policies of the group, among which the Common External Tariff (AEC) can be found; Brazil would be another country that would make its disgust known for the same situation. Even so, Chile would have the support of Argentina, another great member who already knew it for its extensive history of cooperation. Chile could finally participate in different working groups and the organization's institutions by December of the same year. Such as the Forum for Political Consultation and Coordination (FCCP), where Chile would already participate in activities such as coordinating and deepening the examination of the political agenda of said organization in matters of a political scope, proposing reformulations to improve the political agenda of the treaty assumption, develop projects with the presidents of other members, participate in meetings on issues of interest and meetings with ministers from other countries. In turn, thanks to the attributions and obligations that make up this institution, Chile was able to relate to another instance of MERCOSUR, the Common Market Group (GMC), since in the second chapter of the internal regulations of the consultation and agreement forum politics, more specifically,

**Figure 2**

<b>Algunos aspectos significativos del acercamiento político-institucional entre Chile y MERCOSUR (1997-1998)</b>	
5/4/97	Chile participa en la reunión del subgrupo de coordinación de políticas macroeconómicas sobre trabas al comercio
24/4/97	Chile participa en reunión de ministros de economía de MERCOSUR
20/6/97	Presidente Frei participa en XII reunión del Consejo Mercado Común MERCOSUR anuncia la aceptación de Chile en los subgrupos de trabajo
23/6/97	Chile se incorpora al mecanismo de consulta y concertación política
25/5/97	Reunión Estados Mayores Conjuntos de MERCOSUR y Chile
30/8/97	Acuerdo de MERCOSUR, Chile y Bolivia sobre postulaciones ONU
7/9/97	Reunión de representantes cancillerías de Chile y de MERCOSUR, sobre coordinación de posiciones en ALCA
15/11/97	Reunión de ministros de Economía de MERCOSUR y Chile
21/11/97	Reunión ministros del Interior de MERCOSUR, Bolivia y Chile
15/12/97	Formalizada con decisión del Consejo Mercado Común la participación de Chile en subgrupos de trabajo de MERCOSUR
28/3/98	Plan general de seguridad para la triple frontera, firmado por MERCOSUR, Bolivia y Chile
24/7/98	Protocolo de Ushuaia, firmado por MERCOSUR, Chile y Bolivia Declaración de MERCOSUR como Zona de Paz

*Image Obtained from Carnevali, I. (s/f). Chile and MERCOSUR. flacsoandes. Retrieved May 8, 2023, from <https://biblio.flacsoandes.edu.ec/catalog/resGet.php?resId=19101>*

It should be noted that this resolution is not a mere coincidence since, at the moment, the imminent arrival of the Rio Group in the international arena, the Summit of the Americas, and future negotiations with the EU were closer than ever to arriving, which helped the two subjects, Chile and MERCOSUR, reach this consensus so that Chile can integrate into the different institutions, thus demonstrating that even more than in this case because the situation demanded it, trust before the members are something essential.



On the other hand 1998, the Ushuaia Treaty took place, to which the founding countries and Chile and Bolivia subscribed. In this protocol, Chile can be seen as much more involved in terms of its relations with MERCOSUR, since, according to Valdez (2017), by signing these countries to said protocol, it is clear that:

Given the breakdown of the democratic order in one of the member countries of Mercosur, Bolivia or Chile, the procedures provided for in the protocol can be applied, which, as far as we are concerned, may even lead to suspending the right of one of the members of Mercosur to participate in its bodies, and even suspend their rights and obligations related to the integration process.

Thanks to Chile's subscription to this treaty and as previously mentioned, it is possible to see Chile more committed in its relationship with the integration mechanism since it once again accepts a series of obligations and responsibilities that will eventually bring consequences. If said conditions are breached.

In the following year, say, 1999, a momentous event took place in matters of cooperation since the First Summit Meeting of Presidents and Heads of State and Governments of the European Union and Latin America and the Caribbean took place. This event takes place in Rio de Janeiro, intending to set new goals to strengthen ties between the two regions, this being a kind of strategic union, which would cover political, economic, and cooperation issues; In addition, it served to verify the progress of previous agreements and set new objectives.

On the side of Chile and MERCOSUR, they would have met with the EU presidents and directors, including their leaders. At this meeting, based on the good direction that other cooperation agreements had had, it was decided to formalize the launch of new negotiations in order to meet goals outlined in agreements that had been reached in 1995 and 1996, the 1995 agreement being the EU with Mercosur on an interregional cooperation framework and the one of 1996 would be made directly with Chile being in the same way, a cooperation framework agreement, which would have the objective of associating economically and politically.

In general, between 2000 and 2010, the connection between Chile and Mercosur was based on difficulties and opportunities. For example, in the case of Brazil and Chile, in which tariffs on exports of Chilean salmon to Brazil were one of the biggest challenges; In 2002, Brazil established a 20% tax on these exports, a fact that Chile considered a violation of the ACE agreement. After some talks, the tax was lowered to 12%. However, the issue was not resolved until 2006.

As time progressed, as can be seen, Chile and MERCOSUR got on better and better despite specific differences and challenges. However, at this point, it is necessary to discuss and delve into Chile's other projects for the same period (2000-2010). This was to learn how Chile worked internationally with other countries and institutions while working with MERCOSUR.

Moreover, it is that something to highlight is the relationship that Chile had with APEC (Asia Pacific Cooperation Forum), a remarkable period for these two subjects, the years between 1997 and 2004, bearing in mind the fact that for these moments, Chile was the country on the continent that had the best relationship and the first place in terms of trade with Asian countries.

At this time, Chile shared relations with APEC with only two brother countries, Peru and Mexico, who, like Chile, worked using a concerted unilateral liberalization strategy. This strategy was very well received in APEC because it was one of its main characteristics as a block. This strategy allowed the members to carry out different treaties without these having a binding character as long as it has the most substantial commitments in advancing individually towards trade liberalization to reach this objective for 2010 and 2020.

Although previously mentioned, two agreements will be touched on again due to their importance: Chile's Agreement with the EU in 2002 and the free trade agreement that Chile has maintained with the United States since 2004. These agreements began long after the association of Chile and MERCOSUR, but they

have advanced much more quickly. This can be attributed to the bloc's obstacles due to differences between its members and the fact that Chile refuses to become a full member, which generates a small quantity of discomfort among those who are full members, which was discussed previously. Even so,

Going deeper into the Agreement between Chile and the United States of America, the facts stand out that once said Agreement entered into force, even though these two had historically maintained relations, Chile finally became a partner of the then-greatest world power. Moreover, in addition to the fact that the United States was the largest foreign investor in Chile, they became the largest destination for Chilean exports; On the other hand, the merit cannot be detracted from the fact that Chile managed to obtain a genuinely balanced agreement, which, in addition to improving its position on trade issues, was itself an agreement with bilateral characteristics, which, as we have already seen, was the option that Chile always sought to implement when establishing a relationship on issues of cooperation and integration with another country.

This Agreement is constituted in such a way that it covers issues of services, investments, trade in goods, telecommunications, electronic issues, labor issues, and something fundamental, environmental issues; All of this was structured in such a way as to leave the rules of the Agreement very clear and durable in order to avoid conflicts in the long term. If they cannot be avoided, they can be resolved most easily.

Thanks to these points, another of the advantages of a bilateral negotiation can be seen. However, as mentioned before, although Chile prefers the bilateral route, it will not leave aside the option of entering multilateral negotiations. This goes hand in hand with the Chilean reinsertion strategy that was used when the dictatorship ended and that now would be more of an insertion strategy based on open regionalism, through which Chile will maintain a position in which it will not be so exposed to the influence of external agents, which may affect its economy, something that as is known is always present in the international arena; In this way, Chile would be a less vulnerable country when facing this type of threat.

Another point in favor of this technique is that the rate of trade deviations would be reduced. This term refers to the fact that the goods and services the country acquires from other partners will be the best, thus making it possible to choose products and quality services instead of quantity. This fact also comes hand in hand with the fact that long-term relations will improve, bringing economic and commercial stability and being a good incentive for investors.

Going back to the situation of Chile with Mercosur in 2006, the president of Chile, Michelle Bachelet, assumed the mandate in a scenario where relations between the country and the region were considered to deteriorate when, in turn, the triangle of negotiations between Chile-States United-Mercosur reached the ratification of the FTA between Chile and the United States, and as a result, this ratification left an improvement in relations between Chile and the regional bloc. This event in the history of Chile-Mercosur relations shows a contradiction between the expansion and deepening of the country's international insertion strategy. Even though Chile once again justified its decision not to fully join Mercosur, in this case, due to the tariff situation, which at that time was considered an insurmountable obstacle,

Sometime later the same year, the president pointed out that the challenge in an increasingly interconnected and globalized world is establishing alliances between countries that allow a government to be fair and robust enough to face and govern a globalized world. Analyzing the objectives of President Bachelet, one comes to understand that if South American integration is not deepened and the political Agreement is strengthened to act as a bloc against globalization, the chances of success and influence of each national project are minimal.

From this point of view, Mercosur is seen as a tool, showing that it is the country's leading destination for exports and direct investment. However, the president speaks of four routes still to be traveled, among which we find that it is necessary to: consolidate democracy, advance economic-commercial integration, implement public policies that allow the benefits of integration to reach the most disadvantaged and excluded, and finally, establish mechanisms that strengthen mutual trust and compliance with agreements.

### **The priorities of the first government of Michelle Bachelet**

Later, in 2007, Chile made an exciting proposal demonstrating the initiative to improve its situation to do the same for the bloc in general. In a conference in January, President Bachelet, as stated by González (2014), emphasized the importance of advancing and further developing the integration process so that this

is a rapprochement that occurs not only between governments but also between the citizens who are those who make up the people. She also expressed her desire to provide the bloc with Chile's network of trade agreements so Chilean markets can access markets covered by such agreements, such as Asia Pacific, under more favorable conditions.

In order to achieve this objective that was discussed, what was proposed was that, in the case of Asia Pacific, the intention was to turn Chile into an attractive platform for investors. At the same time, the commitment would be reaffirmed concerning the United States regarding foreign policy values and goals, such as democracy, human rights, and trade liberalization. In this way, the relationship between both countries will be strengthened through initiatives such as the Summits of the Americas and the FTAA.

Regarding participation, several agreements can be discussed, beginning in October 2007, where Chile ratified the Agreement on the benefit of litigating without expenses and with free legal assistance, which the Mercosur States Parties signed in December 2000. In July 2008, Chile ratified the Agreement on the exemption of translation of administrative documents, and later, in April 2009, Chile ratified the Agreement on travel documents between Mercosur and associated States. The consolidation of the integration process is evident in the advances in legal certainty based on equal civil rights among citizens, nationals, and habitual residents of the States parties. Besides,

Unfortunately, Bachelet ended her term amid a global financial crisis that had significantly reduced the country's exports and imports, halting progress in poverty reduction that Chile could face due to savings accumulated during the boom years of the copper price. In July 2009, the president highlighted that Chile's wide range of trade agreements and the achievements made with Mercosur during the crisis have helped stem the decline in the country's exports. In summary, the political determination shown by the president and her working group added to the multiple ramifications of legal-social agreements and the progress in an important project such as the IIRSA 12 project,

To understand this, one must know that the objective of the IIRSA 12 project was to promote integration and infrastructure development in South America. The Central Interoceanic Highway Axis, a part of IIRSA 12, aims to connect the Atlantic Ocean with the Pacific Ocean through a road network in the central region of South America. Here, Chile plays an essential role in the connection of this road axis since it was foreseen for its part in the construction and improvement of roads and bridges in its territory to facilitate connectivity between Brazil, Bolivia, and Peru, which will later allow the transport of goods and promote regional trade.

In addition, this initiative projected positive results for countries that, although they were not directly involved, will receive benefits in a collateral way. This is Argentina, a country that, being close to Bolivia and Chile, could improve the road infrastructure in the area, which facilitates trade and connection with said countries; The next would be Paraguay, which benefits from the improved connectivity between Brazil and the Pacific ports, which facilitates trade and the transport of goods, and finally, Uruguay, which, although it is not in the area of the road axis, it would indirectly benefit from having a better connection and access to the Pacific ports through Brazil.

As spectators, we can see that Bachelet significantly promotes the social dimension and political collaboration through projects such as the implementation of cooperation and mutual trust measures between the security forces of Argentina and Chile, the creation of a binational force for peace operations (Cruz del South) and collaborative work with more members of Mercosur Argentina-Brazil-Chile in a project called MINUSTAH (United et al. for the Stabilization of Haiti) that reveals significant progress in defense cooperation. However, the growing closeness between Chile and Mercosur has yet to reach the point of allowing us to consider the possibility of the country fully joining Mercosur. As has been observed,

### **The transition to the government of Sebastián Piñera**

In 2010 Sebastián Piñera became president of Chile at a time when he had to face the consequences of an unexpected earthquake; therefore, according to information found in Chilean government databases, we can know that in order to overcome these consequences, President Piñera "Implemented a plan to rebuild housing and public infrastructure. Due to the circumstances indicated, he meant postponing his Government Program proposals, which revolved around seven axes". Next, emphasis will be placed on some axes that will allow us to understand what Chile was doing in the international arena, which covers both internal and cooperation objectives with nearby countries which are also part of Mercosur.

The first approach to foreign policy focuses on the permanent objectives of the state, which are sovereignty, national identity, and self-determination, the goal of which is to strengthen the existence of opportunities, security, and values supported by the country. The third approach proposes giving greater importance to the connection with Latin America and nearby countries, emphasizing that, in the words of President Piñera, this would be possible as long as it occurs "without compromising our model of successful economic and social development." In turn, this axis also proposes to combat corruption, drug trafficking, terrorism, and poverty and promote environmental care. Finally,

Finally, the fifth axis aims to increase trade openness, notably to support the internationalization of micro, small, and medium-sized companies. It emphasizes liberalizing service trade to make it attractive for foreign investment.

An important fact to highlight is that in the words of Jarpa and Neiro, 2012, as cited in González, 2014:

It is worth mentioning that there are no official records of the president's speeches in the fields of Mercosur and Unasur. Studies reveal that the government's approaches to the region, within the framework of Unasur, Celac, and Mercosur, were limited to the discursive with brief participation.

With this, what is wanted to express is a critical position towards Mercosur since, at the time, it was believed that the latter had ignored different opportunities for the integration of the countries of the area about the rest of the world, thus ignoring the growth opportunities that this entails.

As can be seen, at this point, the Chilean government makes a series of criticisms of how Mercosur had been working, and that is that in the same year, the second presidential term of Michelle Bachelet would arrive. One of the first things that the leader would point out is a concern for the need for more integration in South American countries due to the dispersion of initiatives that fail to establish a common goal of convergence.

The government then intended to help achieve greater regional unity, especially in South America, due to the increasing importance of the Pacific in international politics, seen before with the IIRSA 12 project. It is then that the objective was to achieve an increase in integration and to achieve this, understanding links must be established to make clear the ideological disparities in the region, for which Unasur and Celac are considered crucial since they would help to unite the integration initiatives and political coordination in the region.

In the list of activities planned during the period 2014-2015, it is indicated that Latin America will be the main priority of this government's Foreign Policy, as well as strengthening the relationship of strategic alliances with Argentina and Brazil. The first presidential visit abroad was destined for Argentina, Brazil, and Uruguay. As stated (González, 2014), the reconstruction of these connections would have the objective of promoting a policy that promotes convergence in diversity; that is, what was sought is to balance and share the benefits by advancing towards said convergence of two integration mechanisms, the Pacific Alliance and Mercosur.

In addition, another critical task to be carried out would be that, within the framework of Mercosur, it would continue to participate in the Political Consultation and Agreement Mechanism in order to consolidate the country as a port country and as a bridge country between the Latin American nations of the Atlantic, South and Asia Pacific. The Program reiterates the main objective of strengthening its role as a "port country" and "bridge country" between the Latin American nations of the South Atlantic and Asia Pacific. Interconnection and intergroup relations between Latin American countries and ASEAN will be fostered.

## **Methods**

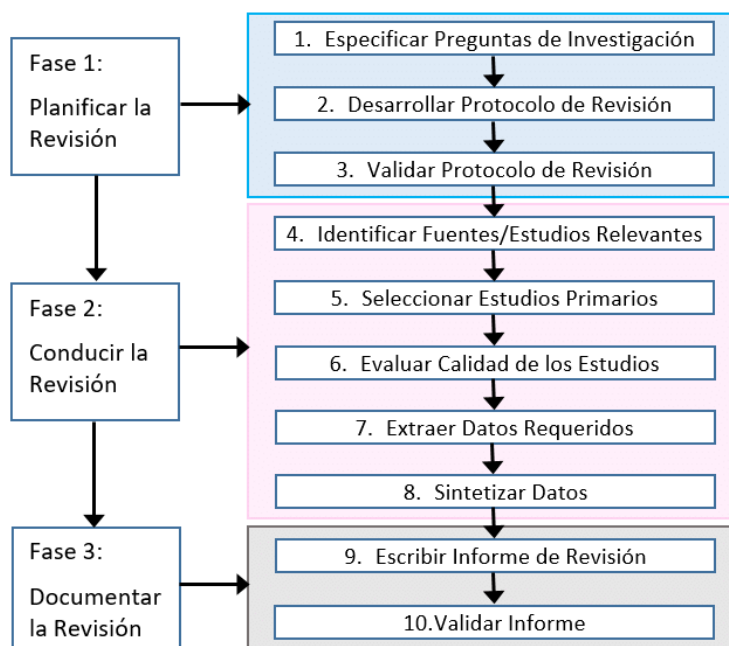
As presented in the protocol, this work will use the parameters of the Kitchenham and Charters (2007) guide to review the literature systematically. The structure is divided into three phases: planning,

conduction, and documentation, within which we can find ten sub-steps. It is worth emphasizing that among the sources used to gather the information, you can find articles that may have been published as such or, in other cases, within magazines or newspapers; in addition, there are also reports from official sites of international governments, as well as from specific organizations, these being secondary sources which are essential due to the nature of the project.

Below is a better detail of what was previously explained with the same graph presented in the protocol of the same project:

**Figure 3**

*Structure for carrying out a systematic literature review according to the parameters of Kitchenham, (2007)*



*Image obtained from: Research Gate, by(Thebes & Becker, 2019)Specification of the Process Model for a Systematic Literature Review. Specifying the Process Model for a Systematic Literature Review, [https://www.researchgate.net/publication/333855959\\_Especificacion\\_del\\_Modelo\\_de\\_Proceso\\_para\\_un\\_a\\_Revisión\\_Sistematica\\_de\\_Literatura\\_Specifying\\_the\\_Process\\_Model\\_for\\_a\\_Systematic\\_Literature\\_Review/link/5d093222a6fdcc35c1591a24/download](https://www.researchgate.net/publication/333855959_Especificacion_del_Modelo_de_Proceso_para_un_a_Revisión_Sistematica_de_Literatura_Specifying_the_Process_Model_for_a_Systematic_Literature_Review/link/5d093222a6fdcc35c1591a24/download)*

### **Phase 1: Plan the review**

The research question was raised in this phase, considering it can address the general and specific objectives raised and approved in the protocol.

The previously mentioned research question is:

What traits are attributed to Chile's solid international performance?

### **Phase 2: Conduct the review**

For this phase, a broad search for information was carried out in various sources, as long as they were related to the question and objectives based on which this project was developed. This was done based on certain words, among which Chile, regional integration, evolution, integration mechanisms, ALALC, ALADI, CAN, and MERCOSUR stand out. The parameters used for the realization of the theoretical framework were taken into account based on the search for information relevant to the first two specific

objectives, and in the case of the state-of-the-art, the same was done, but taking into account the third specific objective, since that this was arranged in the meetings together with the tutor.

Regarding the quality assessment of the studies collected, it was carried out repeatedly on several occasions throughout the project's progress. This mainly occurred in advancing the theoretical framework and state of the art.

### **Phase 3: Document the review**

Based on these parameters and in conjunction with the rubric already established for data extraction, a review report was written following the provisions of Figure 1 based on the research question. Finally, the validation of the report has been presented periodically.

## **Results**

How was it possible to see throughout this project that the "character" of Chile is a theme that has been molded over time thanks to various factors, such as the fact that it had to go through a dictatorship, the ideas and principles of the people who were in charge of this country, making it clear that reference is not made only to its presidents, as well as taking into account another factor which is the influence and guidance that Chile has had from other countries. over time; That is why the historical process that this country went through cannot be downplayed.

Thus, we can take the creation of ALALC as a point of reference and look at it as a year 0 because it is at this time that the countries that make up South America try to adapt or replicate other integrative organizations to generate their own and collective benefits. Even this first integration body was a model for others that eventually emerged. In the case of Mercosur, a direct relationship with ALALC can be found on some issues, such as the objective that both pursue, which is to promote commercial and economic integration in Latin America. In addition, both groups share another objective: to promote free trade and eliminate tariff and non-tariff barriers between member countries. It is clear that Mercosur, like LAFTA,

Regarding those who make up these blocs, importance is attached to the issue of regional preference, which both LAFTA and Mercosur promote. Through the reduction mentioned above of tariffs and the implementation of measures that promote intraregional trade, member countries grant preferential treatment to goods and services from other countries of the bloc. This preference intends to improve commercial and economic relations between member countries, promoting trade within the bloc. As a last vital similarity to highlight, we can talk about the economic and political cooperation between the member countries of Mercosur, which is entirely promoted, as in its predecessor, ALALC. This implies the coordination of commercial policies, the harmonization of regulations and norms, and the promotion of joint development projects. Mercosur has managed to advance in the creation of organizations and procedures to collaborate in decision-making and the resolution of commercial and political conflicts among its members; it is then that, although it is possible to see these ALALC legacies, it is crucial to recognize that Mercosur has tried to innovate in new instances and procedures within its scheme.

Although the creation of ALALC is taken as a year 0, this is not precisely the case in terms of experience, but although this same experience that these countries had in the international arena was not null, it was pretty scarce in comparison to that of more developed countries; a fact that cannot be directly attributed to these countries either, but perhaps to those who had maintained control over them for a long time. Although the countries of South America achieved their independence a good number of years ago, it is well known that they are typically at the mercy of those who have more power due to issues of resources, influence, or alliances.

Returning to the previous topic, since the founding of the Latin American Free Trade Association, many countries began to forge their international character, observing the situation from the idea that, unlike Chile, which, as was discussed, reached a Mercosur already a few years ago, of existence. Several South American countries were the ones who ventured into the issue of integration processes; that is, those institutions that emerged and those that are about to emerge are nothing more and nothing less than a reflection of those who make them up.

Unfortunately, among the causes that made this first integration organization fail, disagreements between members can be highlighted, something ironic because, in addition to generating benefits for all, another of the purposes of all these organizations is to manage to solve any problem fairly and effectively. There was disagreement among the members and acting as a unit when facing any challenge outside these groups.

As noted, the motivation of ALALC was to create a free trade zone, which would eventually evolve in terms of its structure and, inevitably, in terms of the relationship of its members. However, it was around the year 1969 that it can be seen this kind of schism that occurs between the members.

Mainly, this event can be attributed to a lack of trust between the members and an impulsive act influenced by their inexperience. This schism stems from the fact that although this integration organization was in its first ten years of life, a part of the commitment that everyone assumed when joining it was to put good intentions and initiatives on their part in favor of the advancement of the organization.

However, as previously explained, the Andean countries, accompanied by Chile, reached a standard agreement, which was to create a new integration mechanism, in order to somehow be able to compete against those countries that were known as commercialists, referring to Mexico, Argentina, and Brazil, who in the eyes of their less developed brothers, cast a great shadow; exact that at a certain point would generate a feeling of mistrust, which finally drives these four countries to become part of the Cartagena agreement, going against the integration principles that governed the free trade association.

They were leaving with a bad posture in the eyes of the rest of the members, those countries that, although already part of another organization, decided to start their own as if it were a business agreed upon under the table. In other words, how can it strengthen bonds of trust between members who are already suspicious enough if events like this happen?

This act can be seen as a wrong decision by Chile and the other countries that formed the Andean Pact. However, the perspective of these other countries must be taken into account, which despite being part of the same body, felt that they were located at different levels. Although it is something that cannot be assured with total certainty, this decision could have been easily guided to a large extent by Chile since, at that time, Chile was going through the government of Frei Montalva; this comment is based on the idea that among the founding members of the Andean Pact, Chile was the most experienced in terms of international cooperation. As he assures us (Medina, 2002), during Montalva's term, "the international environment that was in transit, from a context from the cold war to one of detente, enabled Chilean foreign policy to adopt a more active and creative orientation, emphasizing achieving greater autonomy for Chile."

As is evident, the beginning of international relations for the countries of the South American bloc did not occur in the best way. Furthermore, on the other hand, it is also possible to see specific patterns of behavior in how Chile acts with its partners. Although the fact of having initiated another integration mechanism under these circumstances is somewhat questionable, there is no denying the fact that making more allies reduces the risk of being susceptible to internal threats; Even so, the collateral damage of an action like this is that at the cost of gaining sure allies, others can be lost.

Fortunately, in the case of Chile, it did not happen exactly like that; this is partly due to the relationship that Chile maintained with partners such as the United States and the weight it had in the international community at the time, such is the case of the first invitation that It was done to Chile to join Mercosur, which, as mentioned above, was given to generate an incentive for the rest of the countries that were not yet part of it.

Another example of Chile's immunity to this event is that sometime later, when ALADI had already been formed, Chile and Mexico joined this association. Although there was already friction between these two countries due to the problem mentioned before, these two countries reached an agreement to strengthen ties through an Economic Complementation Agreement. According to Subrei, the information page of the Chilean government, we can know that:

This Agreement constituted a model of integration between Chile and Latin America, being the first in the region to contemplate a total, scheduled, and automatic liberalization for more than

95% of the products in the tariff universe and to incorporate a dispute resolution system. (Chile-Mexico, 2020)

However, one factor must be taken into account that allows Chile to continue generating alliances: the commitment of this country in terms of its agreements is serious, which helps a lot to positively build a country's reputation.

In addition to the commitment of the people who perform various functions in the Chilean government, there is a fundamental factor on which effective compliance with the formed treaties depends. This factor is the corruption within the country; something that does exist to a large extent will become a problem for national and international procedures.

In the case of Chile, thanks to a series of data collected in 2022, it is known that this country "has obtained 67 points in the Corruption Perception Index published by the Organization for International Transparency. Its score has not changed compared to that obtained in 2021, so its citizens maintain their perception of corruption in Chile stable" (Chile - Corruption Perception Index 2022, 2022).

This lets us know that, worldwide, Chile is in the 27th position of the countries on the list of the perception of corruption. Regarding the regional level, it is in second place, surpassed by Uruguay as the least corrupt country.

It is thanks to emblems such as those discussed in the previous paragraphs that, for these times and today, Chile is seen as an example in international cooperation issues. However, it is in terms of González (2014) that we can better understand this since it is she who ensures that:

In those years, Chile was seen as a country that was ahead of the region in terms of structural reforms and macroeconomic stabilization, which fed the international and internal perception of the country as an "emblematic" and "exceptional" case in the field, not only economic -which gave it the nickname "jaguar of Latin America"-, but also political, praising the ability of its rulers to sustain these processes within the framework of a recently reestablished democratic institutionality.

Thanks to this early introduction of Chile to the global arena and rapid consolidation of a free market culture, linked both politically and economically in an opening towards the world, it fostered the idea of a specific economic development strategy as a process that would lead to the modernization of Chilean society.

Another issue that was not addressed in depth is Chile's distancing from its Latin American neighborhood, which is due to historical territorial disputes with neighboring countries, which were revitalized during the dictatorial period and which were under total "media control" that allowed to instill of a nationalism based on the doctrine of national security in Chilean society.

From this point, it is evident that the Chilean identity has modernizing and traditionalist elements that combine and complement each other. These are based on a free market economic development model; in this case, it is a free agro-export market similar to that of other countries in South America that some economic and political sectors have successfully promoted at the national and international levels.

Several people highlight the characteristics that make Chile this much-mentioned "example to follow." However, it is (Jorge Larrín 2005, as mentioned in González, 2014) who affirms that this country stands out with four elements, "such successful or winning country; Chile as a different country (because of its policies and economic reality); Chile as a developed country or close to being one (which would depend



only on the political will to allow market forces to act); and Chile as a model country, especially for Latin America."

Addressing the issue of the Andean Community of Nations, we know that Chile had to withdraw due to differences between Augusto Pinochet, who assumed the government for those times, but not for other factors since this is precisely the organization that Chile created together with the countries Andinos. At the same time, it was still part of ALALC, with the difference that it bore the name of the Andean pact at its creation.

However, there are some criticisms of the progress of the CAN, and it is that the explanation of the most significant events in the history of the CAN shows that the integration process is behind in implementing and achieving the objectives established in the Cartagena Agreement. The most apparent stalemate, necessary to advance in other stages of the process, is the formation of a trade bloc, which has yet to be possible due to non-compliance or delays in commitments by the member countries.

This situation shows an evident problem of collective action, which, more than anything else, contradicts the principles of this organization concerning the conditions that seem favorable for the actions of the CAN due to its small size. Even so, non-compliance, conflicts between countries, and the unique situation of countries like Ecuador and Bolivia do not make the CAN a "privileged" group since, ironically, this body faces problems that are usually typical of a larger group.

Turning our gaze to Chile again, it is essential to remember that from the moment it tried to venture into issues about creating and integrating new integration mechanisms, a much greater "power" exerted pressure on those less developed countries. In a more specific way, reference is made to the power struggle that took place between the great counterparts that were the protagonists of the cold war; This is a conflict that, despite not being direct, as is well known, put much pressure on countries that in one way or another depended on the capacities of these larger countries.

They clarified that even countries with a more solid position, such as Brazil, Chile, and Argentina, were not free of these influences.

Even so, until the United States finally moved its chips at its pleasure within Chile, the latter country went through the government of certain presidents, who, despite having inevitable mistakes, greatly influenced the situation in Chile. If they had not occurred in the way they happened, the situation today would be different.

While Chile was finding new footholds in other countries, a law was enacted that was briefly discussed above. This law is specifically DL 600; As previously explained, this was a law that sought to extract foreign investment to the country, which in fact, worked effectively, rather than because of the benefits that these offered to these investors due to how they could be included in this group of investors. Leaving aside specific rules required by other Chilean laws, such as Chapter 14 of the Compendium of Changes to the Chilean Central Bank, using instead the regime offered by DL 600,

An excellent example is that in some of the facilities this law offered, investors could request exemption from specific laws that they considered "discriminatory." They could also enter the group of investors with a smaller or sometimes larger amount than requested. Thanks to that, this Decree-Law protected them so that it is so. Among the most significant investors that benefited from this -at that time- novel law can be found in the United States, the European Union, and the United Kingdom, historically occupying the central positions of the largest investors in Latin America.

Since the 1990s, compiling opinions from different actors, this point can be taken as a takeoff for Chile on regional integration issues, taking into account that, as mentioned in a list, Chile became part of about six economic complementation agreements with countries and organizations in South America.

In order to explain how these agreements work and what they address, one of the complete ones will be taken as an example, the one that took place in 1994 with Ecuador, which also has a long history, entering into force in 1995, going through a deepening stage in 2005 and generating two new economic complementation agreements in 2008 and 2020, named ACE 65 and ACE 75.

This Agreement covers about 24 chapters on various issues that, in the eyes of these two countries, require attention; These include topics such as Market Access, Trade Facilitation, Sanitary and Phytosanitary Measures, Electronic Commerce, Telecommunications, MSMEs, Labor Affairs, Trade and Environment, Trade and Gender, and Economic and Trade Cooperation, among others.

Regarding market access, both parties significantly decreased the number of products exempt from tariff benefits. Concerning the Trade Integration Agreement, Chile opens up new opportunities in the Ecuadorian market, in some cases through quotas for products from the agricultural and agro-industrial sector, such as poultry, pork and bovine meat, cheeses, seeds, vegetable oils, and for all industrial products that were not previously subject to tariff preferences that also represent an essential part in the exchange issue between the two countries.

Regarding collaboration and cooperation, a work plan prepared by both parties was proposed to increase the participation of MSMEs in trade and investment between the Parties. In addition, a current regulatory framework for Regional and Global Value Chains was established, and opportunities were also sought to establish productive chains between Chilean and Ecuadorian companies and direct investments.

As a last important point, cooperation and protection commitments were established in labor and environmental issues, including the non-elimination of legislation in these areas to promote trade or investment between the two countries concerning the so-called new issues of trade. In addition, the exchange of experiences and practices in the development, implementation, monitoring, and strengthening of policies and programs aimed at promoting the participation of women in the national and international economy was established.

As this Agreement lets us see, Chile's freedom to establish the points to be dealt with, the periods, and the objectives reached with the other party to the Agreement is among the most critical factors that influence Chile to prefer this bilateral modality to negotiate, a fact that as mentioned a couple of times in this project and many times in others, is something complicated to achieve being a full member of an organization like Mercosur due to the same contradictory fact that despite being an A group of countries that are governed by the same rules have many disagreements. It takes them excessive time to deliberate to reach a consensus regarding their objectives.

## **Discussion**

For this project, different sources were used, ranging from the history of integration organizations to the history of Chilean politics, both internal and external politics. The first issue was constructive because it helped to understand how these integration organizations developed over time, the difficulties each had to overcome, and their most remarkable contributions to the international arena. Furthermore, the factors that caused their failures; In turn, analyzing each of these institutions allows us to see that the situation of the countries that comprise them was superficial.

In the case of Chile, an analysis was also carried out since the first integration mechanism in South America was created, reviewing the internal situation of this country and emphasizing what each government was looking for for this country in conjunction with the president's objectives. This corresponds to each time stage indicated in the project since, as is well known. However, the latter usually has the last word. Obtaining effective results on the international scene also depends on the performance of its officials.

The content of the chosen projects was chosen concerning the objectives, which range from a review and analysis of the evolution of said integrative processes through the transition of governments in Chile to finally touch on the issue of Chile about Mercosur, covering a period that goes from the year 1960 to 2014. It must be mentioned that more documents were reviewed for more current facts. However, many of them reached a range of years similar to that of this project, a fact for which it was only possible to deepen the content after 2014.

There are several similarities between the works reviewed since, although the structure is different, many of them stop to analyze the ideologies of presidents and their contributions to the country, where in some cases, some flaws are also highlighted. The fact that, at times, affects the message that the content wants to

give due to a notable inclination towards a particular political ideology. In the same way, in the case of Mercosur and other integration mechanisms, strong criticism of their operating models can be found, for which the extraction of information should have been based as much as possible on neutral comments and, in other cases, an attempt was made to give it a more neutral to specific information for reasons of explaining inevitable failures.

Among the limitations, we find certain factors, such as the fact that particular works relate Chile and Mercosur from a much more economical approach and go beyond deepening their treaties, as well as their objectives and results at the international level. These last two factors were expected to be further explored in this project.

It is then that what differentiates this project is the interpretation that its information seeks to transmit, from a neutral perspective, regarding the outstanding contributions and severe failures of both Chile and Mercosur and what each of these contributes. as a model to follow and as mistakes to avoid in the future.

## **Conclusion**

As is known, Chile is a country that today occupies the position of the most favored country concerning its neighboring countries. However, it shares excellent features of its history with them. It is then that questions about this fact eventually arise.

This can be explained based on the fact that Chile has been a country that has been able to maintain the political stability of its country. Taking into account that, in fact, and like many other countries, it had to go through problems of internal stability, taking as an example the protests of 1973 that, thanks to other factors, led Chile to a regime of dictatorship or, in more current times, the mobilizations to form a protest in 2019.

Although this country also had to go through these situations, it is essential to note that Chile could recover from this type of problem and knows how to "take off again."

On the other hand, this country knew how to exploit its economy, expanding and diversifying it to not depend on a single sector. Over time, Chile created a solid industrial, agricultural, mining, and service base, which helped generate employment and balance its economic structure. This is a fact that is possible thanks to the fact that Chile's natural resources, such as copper, lithium, fishing, and agriculture, have played an essential role in its economic development. In addition, through these resources, Chile has actively sought a trade opening and has signed trade agreements with several countries and partners, such as integration organizations, which has facilitated access to international markets and has boosted exports,

Complementing the fact of diversification, it is worth mentioning that Chile managed to improve its citizens' quality of life and strengthen its human capital thanks to significant investments; in this case, these investments have been focused on the education and human development sectors. , carried out a series of reforms in the educational system and invested in research and development, which helped to train highly qualified professionals who gave Chile a good reputation in international relations and trade issues abroad.

Another factor to take into account is that Chile has solid and reliable organizations, such as an independent Central Bank and clear legislation, a factor that over time has encouraged investment and legal certainty, which, as a great benefit, attracts foreign capital since In turn, it creates another factor that drives economic growth even more. This factor is of great importance in how the rest of the countries see Chile; This is because institutions that present characteristics such as those mentioned at the beginning of this paragraph will interest new partners in generating agreements. It is then that factors such as these, in addition to generating trust through responsibility, help build a positive reputation for a country. Fact by which Chile is attributed that evident freedom when establishing its conditions and objectives in the formation of agreements as in the case of Mercosur, in which, from its accession to this day, Chile expresses that one of the main reasons why it is not a full member is due to the issue of tariffs with which the countries of the group operate. Thanks to the factors mentioned, this country can work together with Mercosur because it recognizes and correctly assumes its objectives and responsibilities as one of the blocs. Chile states that one of the main reasons why it is not a full member is due to the issue of tariffs with which the countries of the group operate. Thanks to the factors mentioned, this country can work together with Mercosur because

it recognizes and correctly assumes its objectives and responsibilities as one of the blocs. Chile states that one of the main reasons why it is not a full member is due to the issue of tariffs with which the countries of the group operate. Thanks to the factors mentioned, this country can work together with Mercosur because it recognizes and correctly assumes its objectives and responsibilities as one of the blocs.

Even so, having positive results between the union of Chile and Mercosur, there are certain obstacles that stop these two parties from reaching an ideal functioning. These obstacles are present in the fact that Chile arrived to be a member of an integration mechanism that already had a mind of its own. Mind that is supposed to be a conjunction of all the ideals, principles, and objectives that each country that makes up this organization defends, and duplicate that must be respected by those who signed said agreements. However, this same set of ideals often stops them from being precise, fast, and effective when reaching agreements, which are not only in the case of Chile but with other nations and institutions, and even when they reach a consensus among the same members of the group.

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