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NAVAL POSTGRADUATE SCHOOL
Monterey, California



THESIS

**LATIN AMERICAN REGIONAL COOPERATIVE
SECURITY: CIVIL-MILITARY RELATIONS AND
ECONOMIC INTERDEPENDENCE**

by

Chris James Finocchio, Jr.

September 2002

Thesis Advisor: Jeanne K. Giraldo
Thesis Co-Advisor: Harold A. Trinkunas

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**LATIN AMERICAN REGIONAL COOPERATIVE SECURITY:
CIVIL-MILITARY RELATIONS AND ECONOMIC INTERDEPENDENCE**

Chris James Finocchio, Jr.
Lieutenant, United States Navy
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Submitted in partial fulfillment of the requirements for
the degree of

MASTERS OF ARTS IN NATIONAL SECURITY AFFAIRS

from the

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ABSTRACT

Regional cooperative security in the Southern Cone has increased since 1980. This thesis examines the extent to which civil-military relations and economic interdependence can account for the emergence of security cooperation by reviewing the reductions in hostilities and increases in cooperation between the two largest Southern Cone countries, Argentina and Brazil, from 1980 to 2000. It examines bilateral security agreements and cooperation, as well as the history, foreign policy initiatives, civil-military relations, and economic interdependence of the case study nations, arguing that both civilian rule and economic interdependence were necessary for the emergence of cooperative security between Argentina and Brazil.

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"We are the captains of our ship. We determine our own destiny. For the truth is, we control our life. We control how lucky we are. We create our fortune with our effort. We alone have the power."

-Rick Pitino

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I. INTRODUCTION

The latter half of the twentieth century witnessed a significant increase in collaboration among Latin American nations. In particular, regional cooperative security in the Southern Cone has increased since 1980. This development represents a change in mindset from the feelings of suspicion and competition that characterized the pre-1980 era. Historically aggressive geopolitical theories typified this region. However, after 1980, the paradigm shifted and a cooperative security community began to develop. Members of this community no longer view their neighbors as enemies and instead, have engaged in confidence-building measures, conducted joint exercises, and signed treaties, which contribute to friendly relations and facilitate cooperation on security matters of shared concern.

What explains the increase of regional security agreements in the Southern Cone since 1980? Some scholars argue that military rule and ideology inhibited cooperative security (Child, 1990); others discount its influence (Whitescarver, 1997). Some academics believe the influence of civil-military relations on regional security to be predictable and far reaching, in that increased military autonomy leads to increased conflict. The logic behind this is simple. The armed forces, typically, view things in aggressive nationalistic terms. They then may justify their existence by emphasizing the need for a strong national defense, and if not counterbalanced by a more moderate civilian view, can combine with the military's

geopolitical doctrine, corporate interests and distrust of neighbors to stall efforts toward regional cooperation. From this perspective, civilian rule appears to be a necessary condition for cooperative security.

Other scholars stress the importance of Latin America's economic opening in the 1980s and 1990s in explaining the emergence of regional cooperative security. The transformation in global economics that occurred at the end of the Cold War threatened to "marginalize" Latin American nations. Southern Cone countries struggling to breakout of the conglomerate of nations on the economic periphery experienced a profound change in their foreign policy and economic goals (Hurrell, 228-264). This fiscal liberalization changed the political-economic landscape of South America. Economic integration achieved by Southern Cone countries in turn has led to mutual economic interdependence. Many government leaders now realize they need to cooperate economically rather than compete militarily with their neighbors. This interdependence may be the basis behind the shift in attitudes witnessed between traditionally rival nations and increased security cooperation (Pion-Berlin 2000, 43-64).

This thesis seeks to examine the extent to which civil-military relations and economic interdependence can account for the emergence of a security community in the Southern Cone. It does so by examining the decrease in hostility and increase in cooperation between the two largest Southern Cone countries, Argentina and Brazil, from 1980 to 2000. Specifically picked, Argentina and Brazil serve as case study nations because of their transition to

democracy, their history of conflict and their prominence in the region. The fact that these two countries experienced both authoritarian and democratic regimes during the period under study, as well as changes in their economic models, makes them the ideal Southern Cone countries to test hypotheses about the causes of enhanced regional security.

This thesis examines bilateral security agreements and cooperation, as well as the history, foreign policy initiatives, civil-military relations and economic strategy of the case study nations, arguing that both civilian rule and economic interdependence were necessary for the emergence of cooperative security between Argentina and Brazil.

Of additional significance is the fact that although Argentine and Brazilian views concerning regional cooperative security are similar, there are some notable variations in their respective approaches. Namely, of the two, Argentina has pursued a more cooperative security policy than Brazil. Argentina has pushed collective security agreements with all neighbors while Brazil generally has only focused on Argentina. Any explanation of security cooperation must be able to explain this difference.

Chapter II examines the data supporting the observed trend of enhanced Latin American cooperation. A fundamental indicator of this new attitude is the abundance of cooperative security agreements between Argentina and Brazil, such as signing the nuclear safeguards agreement (1994), participating in peacekeeping and joint confidence

building measures like Operation Southern Cross (1996) and bilaterally reducing defense spending.

Attention then turns in Chapter III to civil-military relations in Argentina and Brazil, and their impact on the level of security cooperation between the two countries. This section examines the amount of military contestation over privileges, missions, budgets, and the armed forces' attempts to maintain tutelage over national security decisions. The tenuous civil-military relationship stressed newly elected presidents and potentially threatened to undermine their liberal agendas. To ease this situation, civilians needed to lessen the military's autonomy and its political influence. Traditionally, military leaders utilized national security threats as the reason for maintaining a voice in policy-making. Hence, reducing the perceived threat from neighbors, by engaging in cooperative security, civilian presidents were able to negate the military rationale for tutelage and increase their own political power.

A notable difference exists in the transition from military to civilian rule in these nations. Specifically, the weakened state of the Argentine military, due to the "Dirty War" and Malvinas Conflict, rendered it less able to oppose cooperative security compared to its Brazilian counterpart. This chapter demonstrates the consensus view that military preferences have traditionally been opposed to security cooperation. However, it indicates that economic integration has made even the military believe in the need for regional cooperation.

Chapter IV evaluates the importance of economic integration for security cooperation. In many ways, the influence of economic integration is puzzling. After almost fifteen years of democracy in some South American states, many countries are still struggling with economic reforms. Problems such as economic inequality, low savings rates, over-dependence on foreign investment and disappointing exports are a common occurrence. Most individuals stereotype Latin American economies, stressing political and economic instability. Chapter IV challenges this view, addressing the metamorphosis that opens the Latin American economy and its ensuing effects on regional security.

Both Brazil and Argentina are members of the World Trade Organization (WTO), as are all countries in the hemisphere. Both countries, as members of the Southern-Cone Common Market (MERCOSUR), have adopted a new approach to global economics, and as a result, have monopolized hemispheric trade and gained an increased share of the international market in an effort to boost their respective economies. The economic union formed by these countries has led to mutual interdependence. The measure of economic interdependence will be the increase in foreign investment and trade, as well as tariff patterns.

The hyperinflation and poor economic condition of both nations prior to integration required a new economic policy or that of the pooling of resources to gain a greater share of the international market. Success of a common market necessitated the reduction of national security threats that might menace its existence. Therefore, in order to

alleviate financial demands, civilian leaders worked to eliminate all existing security threats that might choke-off the mutual benefits envisioned from economic integration.

The goal here is to depict the steady increase in economic interdependence between these countries, starting in 1980 and continuing into 2000. This chapter will demonstrate that economic integration was partly responsible for the initial security cooperation and its deepening over time. Key to this chapter will be the evaluation of presidential and foreign policy officials' statements linking the desire for increased economic opening, in order to cure fiscal ills, to the reason for pushing regional cooperative security agreements. Moreover, this section will serve to demonstrate that these politicians pursued greater military subjugation in part to reduce domestic opposition to their economic initiatives. The level of economic integration into the international economy appears to be greater and more rapid in Argentina because of the nation's dire economic condition and the smaller size of its economy compared to Brazil. This has implications for national security policy in that Argentina, more than Brazil, is willing to engage in cooperative security in order to enhance their standing in the international community and thereby improve their economic situation.

Understanding the impact of military subordination to civilian rule and economic integration on hemispheric stability is vital to international relations theorists and the United States as the hemispheric hegemon. The U.S.

government spends significant sums of money on developing healthy civil-military relations and economic ties with Latin American countries based in part on the belief that these are a key component of hemispheric peace. The continuing work of the Center for Civil-Military Relations (CCMR), based at the Naval Postgraduate School (NPS) testifies to this mindset, as do initiatives for a North American Free Trade Agreement (NAFTA) and Free Trade Agreement of the Americas (FTAA). This thesis highlights the connection between democratic civilian rule, economic integration, and cooperative security, recommending against U.S. foreign policies that undermine the process of economic and security integration that has occurred between Argentina and Brazil.

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II. TRENDS OF HEMISPHERIC PEACE

The Argentine and Brazilian relationship changed after 1980 from conflict to cooperation. This cooperative transformation represents a distinct turnabout from the region's combative history. The purpose of this chapter is to examine the emergence of regional cooperative security in the 1980s.

A vital indicator of this new attitude is the abundance of cooperative security agreements among Latin American countries. These agreements define the essence of regional cooperative security between Argentina and Brazil which is to reduce animosity and military aggression, increase bilateral communication and confidence building, and to work together to address certain shared security concerns. The revolution transcends a mere numerical increase in treaties, although such a multiplication is observable. This transformation goes to the very heart of foreign policy and changes the national paradigm from international conflict to agreement. Leaders of the region renewed efforts to work together throughout the hemisphere. This gives rise to the term "'hemispherism' - the purposeful reorientation of foreign policy to enhance cooperation" (Gamble and Payne, 258).

Proving the existence of regional security cooperation requires a review of the cooperative agreements of Argentina and Brazil, and changes in their foreign policy for the latter half of the twentieth century. These two countries were specifically picked because of their history of conflict with each other as well as bordering Southern

Cone nations. The examination begins with a history of the aggressive-nationalistic attitudes between these countries that contributed to an era of conflict, pre-1980. Although, these ill feelings did not result in war, they contributed to interstate tensions and prevented the emergence of cooperative security before the 1980s. Finally, by reviewing increases in security agreements and shifts in national foreign policy attitudes between Argentina and Brazil, this chapter summarizes evidence that cooperative security has increased since the mid-1980s.

A. HISTORY OF CONFLICT IN THE SOUTHERN CONE (1810-1980)

Latin America and specifically the Southern Cone, before the twentieth century, was a region of conflict. After generations of colonial rule, predominantly by the Spanish and Portuguese, the War for Independence began in 1810. This was a long war and the Spanish colonial force in South America was not subdued until 1820. Peace did not immediately follow. In December 1825, Brazil declared war on Argentina over the territory of present day Uruguay. This set the tone for years of discord in the region. Most of the major international wars of the post-colonial period occurred in the Southern Cone between Argentina, Brazil and Uruguay. Control of the Rio de la Plata was the source of the conflict, and from 1825 until 1851, these three nations waged war almost continuously to control this economically important area. In this brief twenty-five year period, the framework was set for domestic attitudes of mistrust and competition that persisted for generations. Latin American countries engaged in approximately forty-six major civil wars and twenty-seven international wars since the battle for independence (1810-1825).

For the first half-century following independence, the region was beset by persistent and widespread wars of state formation and nation building, both internal and external. In this, as in so many other ways, Latin America foreshadowed the pattern of subsequent post-colonial conflicts and, by no stretch of the imagination, could be viewed as constituting a security region (Hurrell, 248).

Clashes continued throughout Latin America during the twentieth century. Border disputes among Southern Cone countries were prevalent. Argentina and Chile engaged in the Beagle Channel conflict and Argentina and Brazil supported opposing sides in the Chaco War (1932-1936) between Bolivia and Paraguay over the boundary separating their territories in the Chaco region of South America. As a region, Latin America experienced approximately thirty international wars in almost two hundred years of history. Between 1810 and 1995, there were twenty-seven international wars in the region. Looking specifically at Argentina and Brazil since the turn of the century, they participated in four major international wars. However, this pales in comparison to the rest of the world.

There have [comparatively] been very few interstate wars in Latin America in the twentieth century, a period when...only nine wars have had at least eight hundred battle deaths (Dominguez, 8).

When compared with other parts of the world, Latin America appears as a historically unique case of peaceful international relations. On a per capita basis, the nations of Europe and North America, for example, have killed proportionally 123 times as many people, and at nearly 40 times the rate per month at war (Centeno, 121).

How can Latin American countries be viewed as unduly aggressive and combative in nature when they as a region have historically participated in fewer international wars than Europe or North America? The answer rests in the separate variables contained in the peace theory. The first is the idea of a "zone of peace," referring to the lack of international war in the region. "Since the end of the Pacific War between Bolivia, Chile, and Peru in 1883, the South American region has been another zone of peace" - this is a negative peace, defined purely by the absence of war (Kacowicz, 21). Latin America is only one example. Other such communities include West Africa. Arie Kacowicz argues for three distinct classifications among zones of peace: (1) negative peace, (2) stable peace and (3) pluralistic security communities. This gradation is crucial to comprehending the positive developments in Latin America. The lack of interstate war is distinctly separate from the stability that ensued from a rise in cooperative security which is the topic of this work. Although there was a paucity of war, other competitions raged between Latin American nations, and specifically between Argentina and Brazil. Most notably, the Argentine/Brazilian nuclear competition served to frame the nationalistic attitudes of the period before the era of cooperative security.

The historical absence of war is different from the cooperation that accompanied the development of regional security. The latter of these two encapsulates a more recent period in the Latin American example, specifically from the early 1980s until the present, during which conflict prevention and management reign.

From the mid-1980s, the momentum of cooperation picks up.... In addition to the launching of agreements on economic cooperation, the second half of the 1980s saw increased stability in the security relationship (Hurrell, 241).

Thus, South America appears to have formed a pluralistic security community which is the top rung on Kacowicz's scale.

B. INCREASED SECURITY COOPERATION (1980-PRESENT)

A three-fold method establishes evidence of increased Argentine/Brazilian security cooperation beginning in 1980. First, this section reviews the rise in multi-lateral peacekeeping missions by these two nations. Then it reviews all Argentine and Brazilian treaties cataloged in the *United Nations Treaty Series*. Information obtained from the United Nations registry indicates a sharp jump in participation in peacekeeping operations and in the number of bi- and multilateral treaties signed between these two countries and their immediate neighbors, Uruguay and Peru, starting in the 1980s. Finally, this section examines overall foreign policy changes to indicate an about-face in policy, from competition to cooperation. The data taken together provides proof of a trend in regional security and cooperation between Argentina and Brazil.

1. Peacekeeping

The first example noted is an increase in international peacekeeping missions by Argentina and Brazil. This rise in the level of UN participation demonstrates a desire among these nations to participate actively in the development of not just a Latin American, but also, a global security community. NATO peacekeeping participation is evidence of international security

concerns. Its presence also indicates greater attention toward regional security issues and an enhanced desire to cooperate in order to ensure peace.

Although many nations have a long tradition of relations with the UN, troop involvement by Argentina and Brazil experienced a dramatic increase beginning in 1980. For Argentina, that commitment has been constant since the Persian Gulf War with approximately eighty-one percent of the army participating in international peacekeeping missions (Pala, 145). Brazil also has a substantial level of participation, and since 1996 for the first time, has become the biggest supplier to UN peacekeeping forces from Latin America.

Graphing the number of UN peacekeeping missions begun by each of these nations between 1948 and 1996 (Figure 1), a drastic increase in participation starts beginning in 1980.

ARGENTINE & BRAZILIAN UN PEACEKEEPING MISSIONS					
		Argentina		Brazil	
UN	100%				
			Total 67%		Total 50%
Of		Total 38 %		Total 15%	
	0%				
%		1948-1980	1980-1996	1948-1980	1980-1996

Figure 1. Argentine and Brazilian Peacekeeping Missions.

(From: The Blue Helmets, a Review of UN Peacekeeping, UN Department of Public Information: New York, 1996)

This increase signals a desire to use armed forces for a greater good, the protection of peace and not the defense of borders as occurred in previous years.

2. Treaties

A list of treaties obtained from United Nations (UN) records reveals a sharp increase in security agreements in the 1980s. All participating nations in the UN are required, under the UN charter, to register signed accords with the Secretary General. Thus, the UN maintains a record of all multi-lateral agreements in its annual publication, *Multilateral Treaties Deposited with the Secretary General*. Although restricted to multi-lateral treaties between member nations, there is an additional database, *The United Nations Treaty Series* (UNTS), which includes recent bi-lateral accords. Multilateral and bilateral agreements between Argentina and Brazil, and with their immediate Southern Cone neighbors, accounted for sixty-eight treaties dealing with national security issues signed between 1940 and 1990. This included treaties dealing with such topics as nuclear materials, maritime regulations, border disputes and transportation. A noted increase in these cooperative security treaties commenced after 1980 (Figure 2). This trend coincides with the notion of increased peace and development of cooperative security in the region after 1980.

Treaty research is typically difficult and somewhat inaccurate. The UNTS database, which is the best source for this information, typically lags in treaty registration by about ten years. This accounts for the apparent drop

off in treaties signed in the 1990s. Additionally, the information is subject to the participating nations' vigilance in notifying the UN of signed agreements. As such, this graph does not represent all treaties signed between 1940 and 1990. However, this fact does not diminish the significance of the rise in security agreements observed starting in 1980.

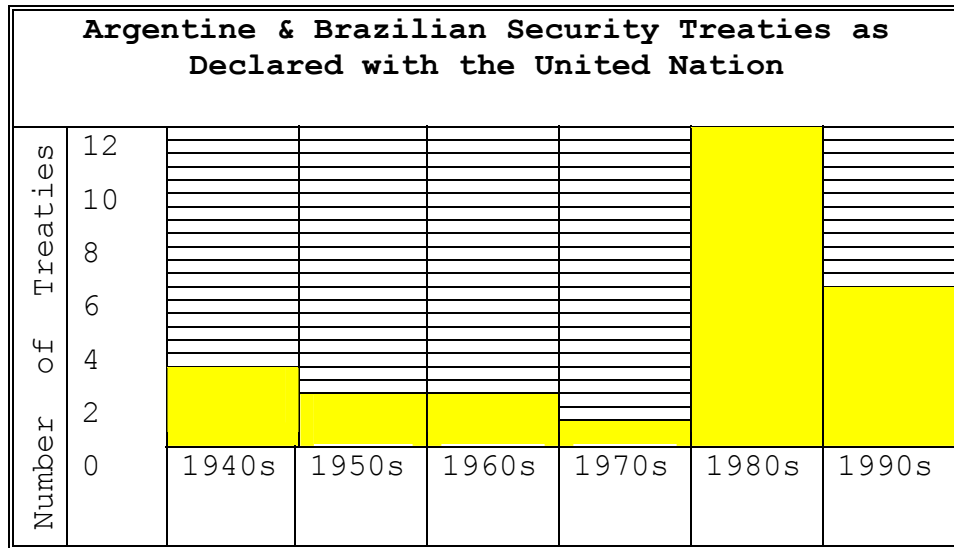


Figure 2. Argentine and Brazilian Security Treaties as Declared with the United Nations.
 (From: The United Nations Treaty Series, UN Department of Public Information: New York, 2001
<http://untreaty.un.org/plweb-cgi/fastweb.exe>)

3. Foreign Policy Initiatives

Cooperative security exists today between Argentina and Brazil, who in the past, were adversaries. What foreign policy scheme drove this reversal? This final section examines the change in Argentine and Brazilian foreign policy commencing in 1980, which embraced cooperation, not just between these regional neighbors, but also on a greater international scale. Taking Argentina

and Brazil in turn, the review begins on a macro-scale with policy shifts regarding non-regional states and non-state actors. Focus then turns to the Argentine-Brazilian bilateral relationship and a new willingness to work together.

The Raúl Alfonsín government assumed power in 1983 amidst considerable domestic turmoil, economic crisis and turbulent civil-military relations. Addressing these issues required an intense domestic focus. Alfonsín reorganized the military and subjugated it to civilians, restructured foreign debt, and instituted economic reform. Nevertheless, he did not ignore the importance of sound foreign policy and increased international ties. Foreign policy under Alfonsín reflected a desire to strengthen relations with European countries and end historical conflicts with neighboring Southern Cone nations. To this end, Argentina finally resolved a territorial dispute with Chile and approved the *Beagle Channel Treaty* (1984). It sought to strengthen ties with Brazil by agreements on hydroelectric power, as well as a variety of other scientific and technical issues. Cooperative foreign policy initiatives, both within the Western Hemisphere and internationally, characterized the Alfonsín administration. The following excerpt from his inaugural speech in December 1983 spells out his policy agenda:

I would like to make clear that our foreign policy will coherently mirror our domestic politics...We will seek social justice for Argentines and will not cease to look for ways to establish within the international system some aspects of morality and justice between nations. We will strive for peace for our violence-ridden territory and will seek peace for all inhabitants

of this planet... We will fight for freedom and democracy throughout the world (Fournier, 39).

President Alfonsín completed his term in 1989 amidst continuing economic crisis and hyperinflation.

His successor, President Carlos Menem, constructed a foreign policy aimed at "projecting the image of a reliable international partner" (Pala, 132). The image of a responsible international partner not only reaped benefits with respect to interstate cooperation. It was also a mechanism to draw increased foreign investment into the country and tighten military subjugation since western nations recognized Argentina as a democratically consolidated international player.

It is with this aim that Argentina has actively supported the Special Committee on Hemispheric Security in relation to measures for confidence-building and for prevention of conflicts (Escude and Fontana, 58).

Over most of the past century, Argentine and U.S. relations have been rocky. Indicative of Argentina's past animosity toward the U.S. was its rejection of the Monroe Doctrine, its neutral standing in both the first and second World Wars, and its partnership with Egypt, Iraq and Libya to construct an intermediate-range guided missile (Escdé and Fontana, 51). However, under the Menem presidency, Argentina shifted to a U.S.-friendly foreign policy. Participating in the Persian Gulf War and explicitly supporting American interests in the hemisphere, Argentina earned the status of a major Non-NATO U.S. ally. Moreover, Argentina's support for the Inter-American Defense Board and Organization of American States (OAS) displays a willingness not just to recognize the legitimacy of these

non-state actors, but also a desire to support these organizations in their efforts toward regional security.

Brazil also adopted an accepting, more cooperative mindset in its foreign policy beginning in 1985. The Amazon offers a telling example of this turnabout in attitude. Traditionally, Brazilian security centered on sovereignty and border defense issues, an important national paradigm, which cemented a coveted role for the military in foreign policy. When it came to Amazon security issues, protectionist attitudes ran uncharacteristically deep. Despite this, policy on the Amazon changed with the transition to democracy in 1985. Faced with rain forest destruction in the Amazon, the José Sarney administration (1985-1990), instead of taking the typical nationalistic platform, undertook a public relations effort to downplay Brazilian concern over security issues and highlight their worry for the ecosystem. This policy shift, carried through the subsequent Fernando Collor de Mello and Itamar Franco presidencies, forced the military to adopt a more moderate stance on the issue (Hunter, 126).

Brazil's search for recognition as a key international partner from Latin America contributed to an attitude of competition, but this eventually softened.

During the Itamar Franco government [1992-1994], Brazil's foreign policy went through a process of adjustment...and a revival of the belief that continuity and consensus was essential for international credibility (Hirst, 111).

This resulted in non-proliferation treaties, and more specifically, the *Nuclear Quadripartite Treaty* (1991) with

Argentina. President Fernando Henrique Cardoso (1995-2000), striving for Brazilian international acceptance, sought to solidify its prominence in the hemisphere and its role in international organizations by lobbying for permanent inclusion on an expanded United Nations Security Council.

Before the 1980s, there had only been five presidential summits between Argentina and Brazil. This changed with the Alfonsín and Sarney administrations. They were the first civilian governments after the transition to democracy, and the 1980s witnessed an increased willingness between these neighbors to work together to solve their common problems.

As noted in Table 1, concrete examples of Argentine and Brazilian willingness to work together include bilateral nuclear and economic agreements signed between 1985 and 1995.

Argentine and Brazilian Cooperative Measures 1985-1995	
Nuclear	Economic
1985 - Foz de Iguazú Declaration	1985 - Iguazu Declaration
1990 - Declaration on Common Nuclear Policy	1986 - Treaty of Integration, Cooperation and Development
1991 - Agency for Accounting and Control of Nuclear Materials	1988 - Act of Alvorada
1994 - Treaty of Tlatelolco (January, Argentina Ratified)	1991 - Treaty of Asunción
1994 - Treaty of Tlatelolco (May, Brazil Ratified)	

Table 1. Argentine and Brazilian Cooperative Measures 1985-1995.

There is also an increase in bilateral communications and confidence building measures under civilian direction.

The network of bi-national working groups established under the 1986 agreements and, still more, the inter-governmental structures of MERCOSUR acquired a degree of bureaucratic autonomy.... Moreover, the institutionalization of visits, exchanges by presidents and officials was leading to a broader "habit of communication" of the kind that has been so important in Europe (Hurrell, 246).

The first (1987) and second (1988) Argentine-Brazilian Strategic Studies Symposiums were held as well as annual joint naval operations between 1994 and 1996. It became clear by 1990 that improved cognizance of each other's intentions and the building of common interests contributed to institutionalized strategic communications and cooperative security. Moreover, during this period, Brazil reassigned military troops by pulling them back from its southern border with Argentina. Argentina, for its part, ended the practice of "empty provinces" and allowed business and trade near its northern border with Brazil.

C. CHAPTER SUMMARY

Latin American history before 1883 is particularly violent. However, since the turn of the century, a drastic metamorphosis has taken place. The first of these transitions is the widely noted emergence of a zone of peace in Latin America due to the lack of international war. However, this period of negative peace was still characterized by hostile relations between nations. The second is the development of regional security cooperation in the 1980s, which this thesis seeks to explain.

With the rising participation in United Nations peacekeeping missions, and the increase of bilateral and multilateral treaties in the Southern Cone, recognizing the emergence of cooperation between Argentina and Brazil is easy. Additionally, there is an observable change in foreign policy for these two nations. This modification is both bilateral between Argentina and Brazil and international. Whereas in the past foreign relations were non-cooperative, after the 1980s, an attitude of collaboration defined these countries. The following two chapters examine the possible reasons for this shift from hostility toward regional security cooperation.

III. CIVIL-MILITARY RELATIONS AND REGIONAL SECURITY

Scholars have argued that the influence of civil-military relations on regional security is potentially significant, in that increased military autonomy can contribute to increased conflict (Child, 1985 and Mares, 1998). Although the armed forces' autonomy did not lead to war in Latin America, the presence of military rule inhibited the emergence of a security zone. As noted in Chapter I, the armed forces typically view things in an aggressive, nationalistic fashion. They often justify their existence by emphasizing the need for a strong national defense. The military has a history of identifying its neighbors as threats (Mares 2001, 223). This attitude, if not counterbalanced, can combine with distrust of regional partners because of past disputes and contribute to an increase in national security posture, potential arms races, and international dilemmas, all of which run contrary to regional security. If military autonomy contributes to insecurity, one might expect military subordination to civilian rule to result in increased security.

Do the cases of Argentina and Brazil in the 1980s support a link between civilian dominance over military institutions and the development of regional cooperative security agreements? This thesis proposes that they do. Although there are isolated occurrences of agreements between Argentine and Brazilian military regimes in the early 1980s, it was not until the transition to democracy

and military subjugation that geopolitical thinking changed and cooperative security measures flourished.

There are authors that cite a few joint agreements between Argentina and Brazil, prior to civilian control of the military, and thereby believe that security cooperation occurred independently from democratic, civilian control of the armed forces (Whitescarver, 1997). I do not concur. Without the leadership and vision of emerging civilian presidents, the cooperative security environment would never have flourished as it did toward the close of the century because of the age-old geopolitical mindset of military leaders. This said, civilian control was one of the two critical factors that allowed for cooperative security.

For cooperative security to prosper, its main opponent, the military and its nationalistic attitudes, needed to weaken and lose public support. Once achieved the door was open for civilians to pursue an avenue other than competition to solve domestic dilemmas of which hyperinflation was most significant. As these policies returned rewards, civilian control amplified, by further reducing confidence in the former ways of the military regime's geopolitical thinking and providing civilians with greater latitude to employ more radically cooperative policies. Therefore, as civilian control grew, militaristic attitudes waned, and consequently, the speed at which Argentina and Brazil agreed to cooperative security measures increased. This upward spiral progressed through the end of the century with record levels of international agreements ratified by these nations.

This chapter begins by presenting evidence that Argentine and Brazilian military autonomy inhibited the emergence of a cooperative security zone in the Southern Cone prior to 1980. It briefly synthesizes historical events among the region's powers that contributed to an attitude of distrust, and discusses foreign and national security policy during the years of military autonomy. This chapter then shows the foreign policy changes that followed the transition to civilian rule and how this contributed to the realization of cooperative security. However, civil-military relations offer only a single casual factor. Alone, however, it is not a sufficient explanation. Numerous nations operate with a subordinated military and never attain the level of cooperative security achieved between Argentina and Brazil. Intuitively there must be another variable. The reasons civilians chose to pursue cooperative security, namely, economic crisis and growing economic interdependence, will be addressed in Chapter IV.

A. HISTORICAL ANIMOSITY AND FOREIGN POLICY UNDER MILITARY RULE

1. Argentina

The Latin American military's geopolitical thinking with its characteristic animosity and distrust of neighbors has long been noted (Grabendorff, 1982). Of all the region's nations, the nationalistic outlook and combative relationship between Argentina and Brazil, prior to 1980, is the most notable (Child, 1985). Extended periods of military rule only exacerbated this historical antagonism.

Military rule dominated Argentina from 1976-1983 under the Proceso dictatorship. The government believed that its

national sovereignty was constantly under threat from neighboring nations. National defense was therefore their top priority and centered on preparations for combat contingencies with Southern Cone neighbors. This effort consumed all governmental decisions and geared all programs toward the preservation of the state.

Preservation of the state typically assumed the form of territorial defense and led to a history of border wars among Southern Cone nations. Argentina and Chile share a long rugged border. Unguarded and not populated in many places, this border served as the reason for numerous disputes between these two nations. "To the west, Chile is Argentina's perennial nemesis" (Pion-Berlin 1998, 80). This tenuous relationship came to a head in the winter of 1978 as the two countries, both governed by military regimes, teetered on the brink of war. The disagreement centered on the question of legitimate possession of the Picton, Lennox and Nueva islands of the Beagle Channel. Argentina and Chile submitted to British arbitration, but the queen decided in favor of Chile and Argentina rejected the decision. Armed forces mobilized and only by means of papal mediation did these countries scarcely avoid war. The effort led by Cardinal Samore resulted in the 1985 Beagle Channel Treaty.

The Proceso dictatorship was preoccupied with security threats from without and from within. Conforming to a realist view of the world with heavy geopolitical overtones, the military junta believed that states are situated in an anarchic, unceasingly competitive, and oftentimes hostile environment (Pion-Berlin 1998, 80).

The idea is common in both the national security and foreign affairs institutions of Argentina, as well as Brazil.

The Argentine-Brazilian relationship during this period was not much better. The two dominant powers of the region were plagued with antagonism toward each other and a flat refusal to work together. World War II witnessed these two neighbors on divergent tracks. While Brazil supported the Allies, Argentina was neutral. After the war, Juan Perón, jealous over American aid to Brazil, intentionally barred Brazil from his plan for uniting the Southern Cone (Child, 1985).

There are more examples of the historical distrust between these two neighbors. Evidence that Argentina and Brazil not only entertained the notion of war, but also actively prepared for the contingency, includes the Argentine policy of "empty provinces." "Empty provinces" refer to the Argentine policy, which until the 1980s, prohibited "valued economic activity" and restricted transportation in northern regions because of a perceived Brazilian threat (Hurrell, 250). Brazil, for its part, stationed troops along its southern boundary, instead of the Amazon, in preparation for an Argentine invasion.

Most characteristic of this hostile relationship was the refusal of both powers to sign any nuclear accords, specifically the *Non-proliferation Treaty*. For centuries, these two nations competed for regional dominance. They were the only two countries in the hemisphere with nuclear capability and any one's decision to develop that

technology for military uses would have seriously undermined the regional balance of power.

These circumstances evidently presented a nearly inescapable scenario. Argentina was primed to turn its latent nuclear technological capability into military power and go for the bomb. Brazilian officials were acutely aware of this (Barletta, 20).

Although avoiding a massive nuclear build-up, feelings of suspicion remained.

2. Brazil

Brazil experienced a period of authoritarian rule from 1964 to 1985, during which national security and foreign policy thinking was mistrustful, as with its neighbor Argentina, and competitive in nature.

The Brazilian geopolitical school [was] without a doubt the most significant in Latin America. This is true not only because of its impact on contemporary Brazil, but also because it has served as a model for others and has produced strongly reactive geopolitical thinking (Child 1985, 34).

Brazilian national strategy demonstrated the nation's desire to achieve greatness or recognition as a "consequential actor in the international scene" (Guedes da Costa, 229). In Brazil, the quest for achieving international prominence and becoming a first-rate-nation shaped the non-cooperative nature of its foreign policy as well as national security priorities. This fact was evident in Brazilian protective attitudes toward the Amazon, their confrontational stance against American hegemony, as well as their support of defense spending and their national military industrial complex.

To an extent, this insistent desire to expand Brazil's role and land-holdings in the hemisphere served to threaten many of its neighbors, not just Argentina. Two areas stand out with respect to Peru and Paraguay. For generations Brazilians saw themselves as an expanding power and this included a landward expansion toward the Pacific. This was the cause of great concern on behalf of Peru, which on its own behalf, constructed an elaborate scheme of roads to the east of the Andes in order to thwart perceived Brazilian expansion. Brazil also experienced friction with Paraguay over the Itaipú hydroelectric project that crosses an international waterway. Indeed, the supposed danger was so significant that it dominated the limited volumes of Paraguayan strategic writing (Child, 1985).

These examples illustrate the philosophy of hostility that pervaded the region during a period of military autonomy. This mindset dominated national security attitudes and foreign policy objectives for years. Historically, there was a level of confrontation in Latin America to which military rule contributed. The military used hostile, nationalistic views to justify staying in power (Mares, 1998 and Stepan, 1988).

External security was to be achieved by increasing the power of the state in all its fields...The end product of this line of analysis was a coherent doctrine of national security which some authors have called the 'ideology of the Southern Cone military' in the 1960s and 1970s (Child 1990, 59).

The cooperative environment of the 1980s and 1990s is more noteworthy when you account for the advancement made from the combative paradigm of the 1960s and 1970s.

A few isolated incidents cast doubt about whether civilian rule was necessary for the emergence of a cooperative security zone. The military regimes of Argentina and Brazil commenced annual joint naval exercises in 1978 with *Operation Fraternal*. The apparent cooperative attitude continued, with a slight increase in bi- and multi-lateral agreements between Argentina and Brazil and their regional partners starting in 1980, three years before civilian control in Argentina and five years before in Brazil. Additionally, Brazil and Argentina signed the *Foz de Iguazú Declaration*, which restricts both nations to the development of nuclear power for non-military purposes, two months before Brazil's transition to democracy in January 1985.

Despite this limited cooperation, true cooperation does not present itself with respect to nuclear power until 1991, and the *Non-Proliferation Treaty* remained un-ratified until even after that. In short, few cooperative acts took place under Argentine and Brazilian military autonomy.

The lack of progress on economic integration under military rule in Brazil, despite overtures from a democratic Argentina, also demonstrates the lack of a decisive shift toward cooperation prior to civilian control. The Brazilian foreign ministry worked jointly with military advisors to formulate policy, resulting in unhurried movement on Brazil's part during initial discussions on integration with Argentina in 1984. This fact was not lost on the Argentines, nor was the increased emphasis these meetings received after civilian elections in Brazil.

In January 1984, we started discussions with Itamaraty [Brazilian Foreign Ministry] on the issue of economic integration. They were not so keen at the beginning, but there has been a sharp reversal coinciding with the coming to power of Sarney (Fournier, 1999).

If viewed irrespectively of other data, these outlying events appear to contradict the hypothesis that civil-military relations were a necessary first step to regional security. However, with a broader view these few interstate agreements pale in comparison to the dramatic increase in cooperative measures that emerge after 1985 and beyond as noted in Chapter II. In short, these measures, prior to civilian rule, did not constitute a paradigm shift in foreign policy approaches.

B. TRANSITIONS TO DEMOCRACY, MILITARY SUBJUGATION TO CIVILIAN RULE AND FOREIGN POLICY REVERSAL

With transitions to democracy in the mid-1980s and increasing military subordination to civilian rule, a shift began in the strategic thinking of Argentina and Brazil. There was a resolution of the hostility of previous decades and an emergence of regional cooperative security. Military regimes justified their existence by means of heightened propaganda, stressing a potential national threat posed by neighboring nations. This fueled military autonomy, increased defense spending and acted as a barrier to any semblance of regional cooperation. Once civilian control was established, civilians had an interest in downplaying nationalistic foreign policies, which only contributed to the military's power. In addition, as the next chapter will show in more detail, the military's nationalistic views undermined civilian efforts to promote economic integration with its neighbors. The following

sections examine Argentina and Brazil, and in turn, address the emergence of civilian rule and policy transformations that accompanied military subordination.

1. Argentina

Argentina turned away from military autonomy in 1983 and to democratic, civilian command of the armed forces. President Alfonsín, elected in 1983, ran on a campaign platform that advocated justice for crimes committed and promised to bring the military to trail. Facilitated in this by the Falklands/Malvinas defeat, he faced a fractured military institution and severely lacked public support. Alfonsín began the democratic transition, and with it a metamorphosis of foreign policy, while he simultaneously labored to reduce military influences in government, and with that reduction, any opposition to his foreign policy reforms.

Raúl Alfonsín was distinctly aware of his country's cycle of military rule since the 1930s, and more specifically, how the military manipulated foreign policy into "an instrument for legitimizing and perpetuating their practices and rule" (Fournier, 43). In order to break this cycle and consolidate civilian rule during a time when military regimes still dominated Argentina's neighbors, Alfonsín pressed a radical platform of democracy and cooperation. During his tenure, Alfonsín approved the *Beagle Channel Treaty* (1985), worked to resolve border disputes and increased ties with his Brazilian counterparts. However, the Holy Week Rebellion of 1987 revealed that Alfonsín lacked total control over the military and he conceded to restrict the scope of his policy changes. The political situation was drastically different when

President Carlos Menem took office. He saw an opportunity to capitalize on the military's vulnerability from convictions for human rights violations committed during the "Dirty War." Menem exerted his authority by offering a quid pro quo. He pardoned convicted officers and in return gained their alliance. Faced with an economic crisis, he solidified civilian control and reduced military budgets by 7.6% from 1989 to 1993 (Trinkunas, 2000). The public had lost confidence in the armed forces' leadership and with the military's near acquiescence to avoid conviction, Menem was free to consolidate the foreign policy changes Alfonsín had begun and continue with an even more significant revision of national security policy. To this end, he stated that Argentina had no enemies other than non-state aggressors. At first, this was a somewhat unpopular and politically risky policy, but it was indicative of the change in Argentine philosophy.

In a desire to change the Argentine international image, Menem executed a series of calculated domestic political moves. Among these, he proved the nationalistic mindset of previous generations was outdated. Neighboring countries were not necessarily enemies, but rather potential allies due to proximity and shared circumstance. The Argentina military tempered any objections due to their weakened political position and shrinking force structure. These preliminary steps achieved, Menem positioned to move forward quickly with his foreign policy or that of building Argentina into a responsible, peaceful member of the international community.

2. Brazil

Brazil lacked the defining moments of the "Dirty War" and the Malvinas conflict to discredit its military which resulted in a slower turnover of power between the military and civilian leaders after the democratic transition in 1985. Military tutelage forced newly elected civilians to proceed moderately with their foreign policy agendas, but as civilians increased their power over time, policy proportionately became more cooperative.

The first democratic administration, under President Sarney (1985-1990), confronted an uphill struggle to fend off military tutelage. Not faced with defeat at the hands of the British or concerned about sweeping criminal charges because of human rights violations, the Brazilian military was able to exert control over the transition to civilian rule. In addition, the lack of disdain slowed the rate at which military attitudes faded from public opinion. Brazil was slow to institutionalize a ministry of defense, and for some time, retained a military influence in state intelligence agencies and legislative matters. As a result, the military was able to subvert efforts to change paradigms and form new policy.

Sarney's successor, Fernando Collor de Mello (1990-1992), enacted modifications to many domestic and foreign policies, as well as strengthened civilian rule. Economically, his administration privatized state businesses, sought price stabilization and opened the Brazilian economy. With respect to Argentina, he pursued closer ties. In a public display before the Brazilian press, he shut down nuclear weapons programs, and took a

giant step toward improving those relations (Gordon, 208). Collor's efforts led to a bilateral agreement between the nations prohibiting nuclear weapons development (1990). The military's autonomous influence in many government agencies in the early 1990s, specifically the Brazilian National Intelligence Service (SNI), presented Collor with a significant challenge. Collor abolished the SNI and created the SAE (Secretariat for Strategic Affairs) under civilian leadership. This transformation, albeit of limited effect (Zaverucha, 88), was an important step toward greater civilian control. Overall, Collor opposed the military and set out to attack their prerogatives but he lacked political support and was in office for far too short a period to make any lasting changes. He was impeached for corruption after only ten months.

Cooperation in the area of nuclear policy deepened over time with increasing civilian rule and resulted in a multitude of accords approved between 1985 and 1997. The *Foz de Iguazú Declaration*, signed in 1985, was a joint declaration on nuclear policy. These agreements also include *The Declaration on Common Nuclear Policy* (28 November 1990), Argentine (1993) and Brazilian (1995) participation in the *Missile Technology Control Regime* and the ratification of the *Treaty of Tlateloco* (Whitescarver, 1997).

Presidents Franco and Cardoso continued to struggle with the level of civilian jurisdiction over the military, just as their predecessors. By the mid-1990s, civilians had not solidified their control, even though military occupation of cabinet level positions waned, as did its

tutelage over foreign policy. As a result of increased civilian control, the Franco and Cardoso administrations were able to sign an unprecedented number of security and economic agreements, as well as increase military-to-military activity between Argentina and Brazil. However, Brazil's tempered response to Argentina's call for a common MERCOSUR Defense System illustrates the lack of complete civilian control. Although receptive to the idea, which began in 1997 with the *Permanent Mechanism of Consultation and Coordination on Defense and Security Affairs* between Menem and Cardoso, Brazil has been hesitant to accept further measures, while Argentina has been more aggressive.

In sum, Argentine and Brazilian relations under their respective military juntas were highly suspicious and hostile. The military autonomists inflated the security threat by regional countries out of domestic political necessity. However, these military regimes eventually began to lose power. In Argentina, this was rapid and a direct result of political and military defeats. For Brazil, the turnover was more gradual and controlled by the military. In both cases, when civilian control emerged, policy altered to a less confrontational more cooperative philosophy.

Overall, by examining security policy under the military and comparing it to the evolution of security policy under civilian rule, this chapter demonstrated the connection between civil-military relations and security policy. Specifically, the military opposed attempts by civilian presidents to adopt a more cooperative security paradigm because it threatened their existence. For

presidents who served concurrently with comparatively weak military organizations, the security changes were more significant and flowed more rapidly. For administrations forced to exist during a period of unstable civil-military relations, the change and its rate of occurrence was tempered. This constitutes a major portion of this thesis in which military autonomy inhibited security cooperation between Argentina and Brazil and overcoming this predicated a cooperative security environment.

C. CHAPTER SUMMARY

This chapter highlighted two major themes concerning the impact of civil-military relations on levels of security cooperation. First, under military rule, Argentine and Brazilian foreign policy would classify as anything but cooperative. The military regime propagandized a national security threat which served to strengthen its power and justify its leadership. Second, civilian control emerged in the early to mid-1980s and almost immediately Argentine foreign policy shifted to a less confrontational more cooperative philosophy. The change was more gradual but no less striking in Brazil, matching the more gradual assertion of civilian control over the military. Overall, by the end of the 1990s, the paradigm shift in both countries was unmistakable.

Military influences in foreign policy formation contribute to a defensive stance, less apt to participate in regional cooperative security agreements.

[Nations with] higher levels of military autonomy...have moved more slowly, while nations with lower levels of military autonomy...have advanced more rapidly (Pion-Berlin 2000, 48).

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IV. ECONOMIC INTEGRATION AND REGIONAL SECURITY

Civil-military relations only explain part of the puzzle concerning the emergence of cooperative security. It clarifies the feature that for years prohibited the emergence of security cooperation between Argentina and Brazil: autocratic military rulers that promoted antagonistic geopolitical thinking. It cannot, however, explain what motivated civilians to pursue cooperative security with such fervor. This thesis proposes that economic integration reveals the remaining pieces. That is to say, once military tutelage no longer inhibited civilian leaders, something caused them to push their countries toward integration, or that of a changing world economy and their respective countries' dwindling share in that economy. In the end, the economic unification of Argentina and Brazil resulted in a high degree of mutual interdependence. This economic interdependence, along with a change in civil-military relations, gave rise to a cooperative security zone.

For generations South American countries wrestled with poor economic performance. Characterized as economically dependent, Southern Cone nations have a history beset with economic inequality, low savings rates, over dependence on foreign investment and disappointing exports. Fiscal instability in the region has relegated South America to a position on the periphery of the mainstream international economy. In the early 1980s, newly elected civilians proposed the notion that a regional trading block would alleviate fiscal stagnation and hyperinflation. Infused

with authority after subjugating the armed forces, these new civilian presidents received an opportunity to test their economic and foreign policy theories. Security cooperation resulted from the economic integration called for by civilian policy changes. Presidents faced with the demands of an international economic system evolving toward trading blocks, coupled with lackluster economic performance, hyperinflation and an inability to compete globally joined their economies. Through economic integration, civilian ministers ensured markets for their exports and combined their resources for a greater share of the world economy. When this economic integration began to produce positive results, presidents pushed for improved integration in other areas, specifically regional security, in an effort to dispel any possible threat to the partnership that was beginning to relieve their economic plight. In addition, increased communication acted as a confidence building measure, for when government and business leaders were forced to correspond in order to facilitate economic integration, animosity toward and distrust of neighbors dissipated. In this way, economic interdependence contributed to the emergence of regional cooperative security between Argentina and Brazil.

This chapter describes the mutually reinforcing process of economic integration and security cooperation in Argentina and Brazil. It begins by framing the global economic environment of the period, the Southern Cone's economic situation at the time, and the desire of newly elected presidents to make a change for the better. Second, it shows an increased level of economic interdependence between Argentina and Brazil from 1980 to

2000, measured by means of increased foreign investment and trade, as well as changes in tariff patterns. Third, it illustrates how economic interdependence was responsible for the initial security cooperation between these two countries and how this interdependence deepened over time and led to security cooperation. It does so by reviewing presidential and foreign policy officials' statements linking the desire for increased economic opening in order to cure fiscal ills to the reason for pushing regional cooperative security agreements.

A. ECONOMIC GLOBALIZATION AND LATIN AMERICA

Latin American economic integration of the late twentieth century examined against the backdrop of the period's international environment reveals three watershed events that conspired to change the world's economic setting, and cause Southern Cone nations to question their past fiscal theories and to make radical adjustments. These three events are (1) U.S. assumption as the world's single superpower, (2) the emergence of a North American Free Trade Agreement and (3) the increased cohesion of the European Community.

The U.S. victory over the Soviet Union in the Cold War and Iraq in the Persian Gulf signaled a transformation in international politics. With the United States the world's only superpower, U.S. hegemony required acceptance by other nations.

...A 'unipolar moment' in which there was little choice but to come to terms with the realities of U.S. power; and that economic globalization had undercut the viability of existing economic policies... questioning existing economic models based on ISI, [Import Substitution

Industrialization] high tariffs, and [a] large role for the state, and moving towards market liberalism (Hurrell, 247).

The underlying point in Andrew Hurrell's quote is that there was a change in global economics at about the time of the Cold War's end. This change caused political leaders world wide to re-think a generation's worth of fiscal policy. Latin America was not exempt from this. The United States, although the world's single superpower, had fallen from producing one-third of the world's goods (1950) to approximately only one-fifth (Lawrence, Preface). In this way, the absence of American economic dominance, coupled with its hegemonic lead toward regional trading blocks (NAFTA), altered the economic landscape from unilateralism and multilateralism to regionalism, with an emphasis on deeper integration.

The emergence of a North American Free Trade Agreement between Mexico, Canada and the U.S., as well as the momentum gained by the European Common Market, drastically changed the prospects for trade. Southern Cone countries, already inhabiting the economic periphery, faced competition with stronger North American and European trading blocks. This prospect threatened Argentine and Brazilian politicians as they viewed themselves being "potentially ignored" by these countries (Cason, 27). Many government officials, in both Argentina and Brazil, now realized that economic integration was necessary to maintain, if not build on their already shrinking piece of the international market.

In addition, the economic condition of the region has been bleak since the 1980s and leaders were desperate for

new approaches to solve their economic problems. Import Substitution Industrialization (ISI) had ceased working and even contributed to the economic collapse of some Latin American countries (Nogués, 297 and Manzetti, 189). Inflation was also rampant in Argentina and Brazil. These domestic problems, combined with the international trends already described, led civilian leaders to view cooperation as necessary for prosperity. This took on a strategic importance and out-weighed the security concerns of the past that cast neighbors as enemies instead of trading partners (Fawcett and Hurrell, 1995). The call for integration was one of the essential impetuses for the creation of the Southern Cone Common Market.

Beginning in the 1980s, national security departed traditional sovereignty issues and became defined by hemispheric tranquility and cooperation. The end of the Cold War combined with the transition to civilian rule and marginalized the military domestically. Politically impotent, the military could no longer mobilize against perceived threats and this allowed for a change in mindset. The economic crisis and opening of Latin America coincided with this paradigm shift, and economic success through interdependence became the mechanism to achieve a newly defined security.

Until democratic transitions, civilian officials were helpless against military authoritarianism with its combative, nationalistic paradigms. With a turnabout in civil-military relations, empowered civilians were ready to make adjustments for the better or changes toward economic integration. By the mid-1980s, both Argentine President

Alfonsín and newly elected Brazilian President Sarney understood the need for change and the merits of cooperation. The current

...economic, monetary, and commercial guidelines, as well as the mechanisms devised to handle international relations in these fields, have fully proven by now that they are incapable of coping with the pressure of our times (Alfonsín, 1985 Speech).

They acted to align the Southern Cone with the rest of the world by taking initial steps away from their common history of distrust, toward cooperation and the beginning of what would become a Southern Cone trading block, and prove to be Latin America's most effective economic integration.

B. MEASURES OF GROWTH AND ECONOMIC INTERDEPENDENCE

Beginning in the 1980s, Southern Cone countries experienced a shift in strategic thinking. Clearly,

...the *alfonsinista* administration firmly believed that democratic consolidation in Argentina was intimately linked to good performance of democratic institutions in the economic sphere (Fournier, 51).

This contributed to the development of MERCOSUR, the Cone's best attempt at integration and cooperation.

The 1991 signing of the MERCOSUR agreement was the culmination of several years of economic rapprochement. Between 1985 and 1988, Argentina and Brazil signed numerous economic accords. The *Latin American Free Trade Association* (LAFTA) originally signed in 1968 was rejuvenated in 1985. The *Argentine-Brazilian Economic Integration Program* (ABEIP), signed in July 1986, followed the *Iguaçu Declaration* signed in November 1985. On April

6, 1988 Argentina, Brazil and Uruguay agreed to the *Act of Alvorada* in addition to a multitude of other trade, transportation, and technology pacts between 1987 and 1988.

Argentina and Brazil joined Uruguay and Paraguay in signing the *Treaty of Asunción* in March 1991 and created the Southern Cone Common Market (MERCOSUR). For years, the Southern Cone traveled a slow road to economic integration and reform. The level of success in this important area varied, but the trend was no matter how successful a single country was economically, they all still struggled to find their niche in the international market. In an effort to overcome such hurdles, these four nations combined their resources and talents in MERCOSUR, and the result has been profound. Today MERCOSUR represents the fourth-largest trading block in the world.

MERCOSUR has led to both an increased level of economic interdependence between Argentina and Brazil, and an increase in economic well being of those countries. Four variables show the economic growth achieved because of MERCOSUR and the link between the economic growth and interdependence between Argentina and Brazil: (1) gross national product (GNP), (2) trade (specifically exports within MERCOSUR), (3) tariff levels, and (4) foreign direct investment (FDI). Economic growth occurs because of integration between MERCOSUR nations, specifically Argentina and Brazil. Each has become dependent on the other, to a greater or lesser extent, for economic survival.

GDP offers an indicator of how the economic relationship has increased wealth and therefore

interdependence. Taking an average before and after the signing of the *Treaty of Asunción* in 1991, Argentina experienced an average change in GDP of -0.9% (1981-1990). However, after MERCOSUR, they had an average growth of +5.5% (1991-1997). Brazil experienced a similar, albeit, not as drastic expansion. Average GDP growth was +1.4% (1981-1990) but rose to an average of +2.8% (1991-1997) in the following years (Inter-American Development Bank, 1995 and Economic Commission for Latin America and the Caribbean, 1997). Figure 3 provides an annual breakout of real per capita GDP growth rate as reported by the Agency for International Development. Specifically from 1988 to 1993, Argentina jumps from -3.3% to +4.8% for real per capita GDP, and Brazil goes from -1.8% to +4.5% between 1988 and 1994. This is a significant change when compared to the negative growth and inflation of the previous decade.

Real Per Capita GDP Growth Rate							
	1988	1989	1990	1991	1992	1993	1994
Argentina	-3.3	-8.3	-2.7	9.0	8.8	4.8	4.5
Brazil	-1.8	1.4	-5.7	-1.2	-2.3	2.7	4.5

Figure 3. Real Per Capita Growth Rate.

(From: Agency for International Development, Gross Domestic Product - Latin America and the Caribbean, Congressional Information Service, 2001)

Figure 4 represents Argentine and Brazilian exports to MERCOSUR countries, including Paraguay and Uruguay, as recorded by the International Monetary Fund (IMF). The striking increase in exports from pre-MERCOSUR to post-

MERCOSUR in Argentina and Brazil is evident. In 1983, Brazil accounted for only 4.3% of Argentina's exports (1983). That figure more than doubled by 1993. Economists typically subscribe to the notion that an export surplus is one of the pillars of fiscal success.

Exports within MERCOSUR have more than doubled as a share of total exports since 1990, with MERCOSUR absorbing around 30% of Argentina's and 22% of Brazil's exports (Hurrell, 251).

The trade explosion represented by Figure 4 indicates that just such an incident occurred because of the MERCOSUR agreement. Further, these phenomena produced a certain amount of interdependency between these nations if they wish to continue on this prosperous road.

Argentine & Brazilian Exports to MERCOSUR Countries (in millions of US dollars)		
	Argentina	Brazil
1985	668	990
1986	895	1,176
1987	769	1,388
1988	875	1,637
1989	1,428	1,367
1990	1,833	1,249
1991	1,978	2,309
1992	2,327	4,097
1993	3,684	5,397
1994	4,803	5,922
1995	6,522	6,154
1996	7,802	7,338
1997	8,996	9,567

Figure 4. Argentine and Brazilian Exports to MERCOSUR Countries.

(From: Jeffery Cason, "On the Road to Southern Cone Economic Integration" in Journal of Interamerican Studies and World Affairs, Spring 2000)

For nations exporting goods among other ways, income is generated. If a nation, beset by a history of economic difficulty, suddenly experiences a boost because of a rush of targeted exports, then it is safe to assume that there is an amount of dependency with respect to that new export market for continued economic gains or at least until other markets can be opened. MERCOSUR created that targeted market for exports. Argentine and Brazilian exports experienced a fair amount of difficulty competing internationally against those of other trading blocks because countries within a trading block typically purchase goods from partner nations. Prior to MERCOSUR, Argentina and Brazil lacked a similar market. After MERCOSUR, these countries enjoyed the benefit of a partner inclined to purchase goods because of a reduced tariff and became dependent on that partner for continued income linked to future purchases.

Trade and tariffs signal rising interdependency within the Southern Cone. During the 1990s, MERCOSUR was the largest and "most dynamic economic integration scheme" in Latin America with interregional exports making up 25% of the group's total (Inter-American Development Bank, 2000). Tariffs were reduced for the most part in accordance with the agreement's timetable in order to reach zero by 1995. Moreover, these nations have been working toward an agreement on a common automotive regime based on unrestricted intra-zone free trade since 1994. Foreign Direct Investment (FDI) has also increased because of the Southern Cone Common Market. The European Union's (EU) FDI to Southern Cone countries was 54.6% of its total before the existence of the trading block. After MERCOSUR that

figure grew to 66.3% or approximately 4.7 billion dollars (Cason, 2000 and Manzetti, 2000). FDI internal to MERCOSUR is also up. Taking Chile, for example, Argentina and Brazil together account for 54.3% of Chile's FDI, approximately 6.5 million dollars, in 1997. Importantly, investment between Argentina and Brazil also grew. Pre-MERCOSUR, there were less than 20 Brazilian companies operating in Argentina. By 1996 that figure grew to more than 400 investing 1 billion dollars annually. Approximately 80 Argentine businesses have returned the favor with about 250 million dollars in investments (Serrill, 1996).

In sum, gross domestic product, trade and foreign direct investment all experienced a marked enlargement post MERCOSUR. Conversely, tariffs decreased between partners. Argentina and Brazil relied on one another for economic well being, thus contributing to interdependence. Simply put, without its partner, the means for increasing exports and investments as well as continued growth, would be lost.

C. POLITICAL ATTITUDES TOWARD ECONOMIC INTEGRATION AND REGIONAL SECURITY

Correcting economic stagnation and raging inflation in both Argentina and Brazil required approaches other than those utilized under military autonomy. Neither Argentina nor Brazil was strong enough alone, and because regional cooperation had worked in other instances, both nations committed to economic integration. Integration entailed uniting resources for a greater combined share of the international economy and constructing a tariff free trading zone to enhance exports. Two policy theories accompanied this process. First, having overcome a generic

mistrust of the other, national security for Argentina and Brazil became synonymous with economic growth. Security was not building a military to defeat your neighbor in combat. Rather, security was building a stable, prosperous economy. Secondly, success of a common market necessitated the reduction of possible threats to its existence, namely, geopolitical and nationalistic attitudes that would push competition instead of cooperation and advocate isolation instead of integration. Therefore, what began as economic integration, spread to include regional security measures, increased confidence-building measures, military-to-military exchanges and reduced tensions over nuclear power. In this way, civilian leaders sought to eradicate any threat to the foreseen profits of economic integration. The following section reviews presidential decisions of the era, highlighting economic policies and then linking economic cooperation with changes in security.

1. Economic Policies

Presidents Alfonsín of Argentina and Sarney of Brazil met in November of 1985 and cemented their agreement to promote political cooperation and economic integration. The initiatives that sprang forth from this meeting formed the corner stone of Argentine and Brazilian cooperative security.

In 1989, Carlos Menem, elected President of Argentina, continued his country's economic liberalization and regional integration. The *Law of Economic Emergency*, the *State Reform Law* and the *Comisión Bicameral de la Reforma del Estado* (CBRE), all of which dealt with the sale and privatization of state-owned business, as well as the dollarization of the Argentina peso, occurred during his

presidency (Blake, 7-8 and Llanos, 71). Menem and his economic minister, Domingo Cavallo, pushed for continued economic liberalization and integration deemed necessary for economic prosperity as did the previous Alfonsín administration. In turn, they became principal architects in the MERCOSUR agreement.

During his presidency, Menem worked with three Brazilian counterparts: Fernando Collor de Mello (1990-1992), Itamar Franco (1992-1994), and Fernando Cardoso (1995-2000). All, to a greater or lesser extent, shared a similar vision of a tranquil and integrated Southern Cone, with newfound economic viability.

President Collor stepped away from traditional competitive foreign security and economic policies and embraced change and regional cooperation.

...The exhaustion of the industrialization model of the last decades, the new [Collor] government was compelled to sacrifice some of the classic positions of Brazilian nationalism in its external behavior in its zeal to improve its position and extricate itself from the difficulty in which it found itself (Seabra de Cruz, 140).

The positions de Cruz refers to are protective, competitive economic policies of the military juntas. This attitude change persisted through the subsequent administrations of the 1990s as economic interdependence grew between Argentina and Brazil during the Franco and Cardoso presidencies.

During the Itamar Franco government, Brazil's foreign policy went through a process of adjustment, influenced by two factors: first, the growing impact of economic stabilization on the country's international affairs... Outstanding

priorities in Brazilian foreign policy were active participation in the Southern Cone Common Market (MERCOSUR), the creation of a South American Free Trade Area (SAFTA)... The Cardoso government has demonstrated its intention to maintain Itamaraty's ascendance in the formulation and implementation of Brazil's foreign policy (Hirst, 111).

2. Linking Economic Integration and Security

Economic cooperation led to security cooperation in two primary ways. First, civilian leaders faced with economic crisis, redefined security to mean prosperity and reached out to their neighbors.

The deep economic crisis in which the Southern Cone countries found themselves [...and] their increasingly marginal role in world trade, took on the character of a security issue...Thus, security took on a broader connotation: that of enhancing domestic competitiveness in the world economy, penetrating new markets, and improving one's bargaining position in trade negotiations. Renewing the emphasis on regional integration could provide the means by which to satisfy these security concerns (Manzetti, 189).

Former regimes (pre-1980) defined national security in terms of military preparedness for combat. Civilian regimes (post-1980) redefined national security to equate to economic stability. Civilians also felt "security and defense must follow the trail carved by economics" because they were mutually re-enforcing, (Pion-Berlin 2000, 51) so much so, that military heads, sometimes coerced, other times more willingly, began to examine methodologies to expand the economic integration of MERCOSUR to military forces. According to General Martin Balza, former Argentine Army Chief of Staff (Pion-Berlin 2000, 51), "It is undeniable that the launching of MERCOSUR brings the

military to think about all that refers to integration from a military point of view."

Second, economic integration contributed to cooperative regional security by creating channels of communication between previously distrustful countries. Whereas military planning for combat did not necessarily lend itself to bilateral discussion, security via economic integration required it. For economic integration to succeed, Argentine and Brazilian governments had to establish ties and work out mutually beneficial economic arrangements. Since MERCOSUR, Argentina and Brazil have established an almost continuous channel of communication. Communication allows for an understanding of intentions. This type of diplomatic transparency reduced distrust and brought Argentina and Brazil closer to cooperative security. As a result, Argentina and Brazil signed a memorandum of understanding for consultation and coordination during a two-day working meeting between Cardoso and his Argentine counterpart Carlos Menem. Then General Alberto Cardoso, the head of the Brazilian military administration, reported that Argentina and Brazil "pledge to maintain strategic balance and encourage the same kind of balance with other South American countries." This agreement established a mechanism for consultation between the two countries.

Once economic integration mandated a bilateral dialogue, the convergence of Argentine and Brazilian visions soon followed. This is not to say that either country has abandoned its own identity. Nevertheless, economic interdependence joined the fate of these two

nations and merged their strategic outlooks. *Time International* reported Cardoso as saying, "this agreement was a 'historical landmark' which showed that the two countries have a 'common strategic vision.'" "

MERCOSUR, as well as the other economic agreements between Argentina and Brazil, are reaping success. Cooperative attitudes have enveloped the MERCOSUR partners as reflected in foreign policy statements by both nations' presidents. This, in turn, is self re-enforcing. Economic necessity called Argentina and Brazil to integration and as cooperation supplied positive results, the attitude spread influencing other foreign policy issues. Antagonistic attitudes of the previous generation gave way to collaboration, not just in economics but with national security as well. Prosperity and security became integrated and mutually supporting in the minds of policy officials. Thus, cooperative security protected the prosperity brought about by economic integration and in turn, economic stability added to the desire to cooperate across the board which resulted in a cyclical reinforcement.

D. CHAPTER SUMMARY

Economic integration achieved by Southern Cone countries led, in turn, to mutual interdependence. Released from the binds of military autonomy, many government leaders realized they needed to cooperate economically rather than compete militarily with their neighbors. The resulting interdependence consolidated the shift in attitudes between traditionally rival nations and the success of this union increased activity related to security cooperation. After regime changes of 1983 in

Argentina and 1985 in Brazil, civilians considered a wider range of concerns when formulating foreign and economic policies than had their processors. Linking the two together, they desired to foster an attitude of shared circumstances in the mutual economic plight among Southern Cone nations and thus allow the governments to drop their defensive posture and enter into cooperative security agreements.

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V. CONCLUSION

The Southern Cone developed into a democratic, civilian controlled, economically integrated region, where its members, specifically Argentina and Brazil, exist under the umbrella of cooperative security. The influences of this cooperation, although pervasive do not, as of yet, affect all aspects of the state. Southern Cone militaries, interdependent and collaborative are not integrated, and the proposal for a common defensive force for MERCOSUR by Argentina is potentially decades away from realization. Regardless, the nations of this area have progressed light-years from their former existence as warring, distrustful neighbors.

There is ample evidence to support the notion of an emergent cooperative security zone between Argentina and Brazil. Chapter II presented data showing a paradigm shift in foreign policy, a marked rise in multilateral peacekeeping missions and an increase in security agreements between Argentina and Brazil. Specific national security and foreign policy reversals ushered in the new era of cooperative security: (1) Argentine Presidents Alfonsín and Menem's foreign policy statements, most critically, that Argentina has no foreign adversaries, and (2) Brazil's defense industry reductions and foreign policy reversals under Franco and Cardoso, specifically on nuclear cooperation which enhanced regional peace.

What then is the cause of this security community? Chapters III and IV addressed potential causes such as civilian control of the military and economic integration

respectively. These variables were examined because of their tremendous bearing on foreign policy and the apparent dissent in the literature about their relative significance in contributing to Southern Cone cooperative security.

This thesis found that a high degree of military control in a government has adverse effects on regional security. The military mindset is often defensive, even distrustful, and typically aggressive. Interstate cooperation can diminish to the point of non-existence when the government espouses such attitudes because military personnel hold office or exercise a high degree of political control. Surely, this was the case in Latin America up until the 1980s. When the election of civilian leaders coincided with the apparent emergence of regional cooperative security in the Southern Cone, it became increasingly tempting for academics to attribute this to civilian control. While civil-military relations explain why the armed forces were no longer an obstacle to security cooperation, they do not explain civilian motivations for pursuing cooperative security.

What were the civilian motivations that coalesced with democratic control of the military in order to increase security cooperation? Economic integration in response to hyperinflation and a shrinking share of the international market explains the civilian impetus toward security cooperation. The most telling example of this was the creation of MERCOSUR. Argentina and Brazil joined Paraguay and Uruguay in signing the *Treaty of Asuncion* creating the Southern Cone Common Market. The economic hardship of Argentina and Brazil forced the civilian leadership to take

a different tact from the nationalistic stance of the former military regime. Chapter IV points out that economic considerations were the impetus behind the integration and that they were responsible for initial steps toward security cooperation and its continued deepening over time.

The success of MERCOSUR in turn, has increased activity related to security cooperation. Neighboring countries whose economic fates have become inexorably intertwined realize that they must inhibit military provocation that could cause armed conflict and thereby undermine economic gains (Pion-Berlin 2000, 62).

Most succeeding treaties between the two partners serve to deepen economic integration and foster hemispheric peace.

Civil-military control and economic integration are not end-states, but rather exist in degrees along a continuum. For civil-military relations, this continuum stretches from total military autonomy, through a gradation of elected civilian leadership with military tutelage, to the aspiration of complete subjugation of the armed forces. Economic integration spans the range from a simple customs union to a common market, absent of any restrictions against member nations (Pion-Berlin 2000, 44). Argentina and Brazil have been and continue to progress along these linear developmental paths. Each continuum of development feeds off and contributes to the progression of the other. The beginnings of Southern Cone regional security rest with the initial diplomatic and political agreements between the newly elected civilians of Argentina and Brazil. The desire for economic stability resulted in the creation of

the Southern Cone Common Market. Finally, security cooperation stemmed from a need to reduce any potential military threat to economic integration. In Argentina, where a discredited military totally lost public support, security cooperation progressed more rapidly. In Brazil, where the military was still powerful, cooperation moved more slowly.

In Argentina, the military suffered two debilitating defeats in the early 1980s. The first was the loss of public support because of the "Dirty War" and the second their defeat by the British in the Falklands/Malvinas War in 1982. The result was twofold. Civilian leaders quickly expanded their influence in government policymaking and the military's size and political control rapidly shrunk. Military subjugation to civilian control removed the armed forces as an obstacle to security cooperation and the civilian desires to improve the economy motivated the shift in policy toward economic and security cooperation.

In Brazil, advances came at a significantly subdued rate, where the military was a principal architect of the transition from authoritarianism to democracy. Success or failure in subjugating the military depends in large part on the negotiations between authoritarian leaders and the emerging democratic opposition during the transition period. Alfred Stepan writes,

In a democratic regime the degree of articulated contestation by the military is strongly affected by the extent to which there is intense dispute or substantial agreement between the military and the incoming government concerning a number of issues.

When Brazil broke from authoritarian rule, the subsequent years proved difficult for civilian leaders in their effort to check military power. The Brazilian armed forces "succeeded in maintaining their tutelage over some of the political regimes that have arisen from the process of transformation" (Zaverucha, 283). The result, unlike in Argentina where the military lost most, if not all its political power, was a Brazilian military that maintained a prominent role in the formation of government policy. The leaders of the armed forces continued to hold, well after democratization, six seats in the cabinet, as well as positions on the National Security Council and state intelligence agency, and influence with the legislature. The extent of military prerogatives after the democratic transition slowed the pace at which Brazil accepted cooperative security initiatives compared to Argentina.

In sum, civilian controls over the military and economic integration are both necessary for a region of cooperative security, and neither of them alone is sufficient. Civilian economic theories and cooperative policy initiatives would never have come to fruition if military autonomy went unbroken because such initiatives ran contradictory to the geopolitical philosophy of the military and their rationale for staying in power. Nevertheless, military subordination alone would not have guaranteed interstate cooperative security for there are numerous nations that exist under democratic civilian control of the military without being members of a regional security block. It is necessary to understand civilian motives for pursuing regional security cooperation. In Argentina and Brazil, civilian leaders sought to cure

economic crises through cooperation and integration with their neighbors sharing similar circumstances. Argentine-Brazilian economic integration was a goal pursued by civilian presidents. Cooperative security followed from this same goal as a way to defeat the political opposition to their cooperative theories from geopolitical thinkers, by changing the national mindset and ensuring continued economic success through increased ties and continued communication attributable to economic integration.

A. POLICY RECOMMENDATIONS

What lessons come from these experiences in Latin America and can be applied to America's foreign policy initiatives for the region in order to enhance their effectiveness? Simply, there is an inseparable linkage between economic integration and cooperative security for countries of the Southern Cone. Prosperity and safety go hand-in-hand. Due to increased integration in the Southern Cone, nations are less likely to take action or implement policies that adversely affect their neighbor on whom they depend for economic stability. The United States should take heed and not take any measures that undermine the process of economic and security integration that has occurred between Argentina and Brazil.

One U.S. policy measure that has caused friction between Argentina and Brazil is the designation of Argentina as a primary non-NATO ally of the United States. As a type of recognition, or reward, for Argentina's substantial assistance with international peacekeeping missions, specifically Yugoslavia, and for support in the Persian Gulf War, the United States bestowed this unofficial status on Argentina. Argentina having sought

this designation now sits between American interests and those of her MERCOSUR partners, specifically Brazil. Typically apt to follow the U.S. diplomatic lead in the hemisphere, Argentina has called for the construction of the common defensive organization for MERCOSUR. A U.S. backed recommendation, because of the implications it could have on the drug war, it has received only moderate support from Brazil.

Brazil would be a major player in any such security association, but is apt not to participate simply because it coincides with American interests, among other reasons. Unlike Argentina, Brazil is constantly attempting to reject American hegemony in the hemisphere. This is a precarious position for Argentina. As Pion-Berlin notes,

...in its dealings with MERCOSUR, Argentina must simultaneously consider the impact of its decisions on its much-prized relationship with the United States" (Pion-Berlin 2000, 51).

The United States would do well to sympathize with the Argentine dilemma and down play its normally dominant role. In the end, the U.S. may find that it can simultaneously improve its relationship with Brazil and support cooperative security in the hemisphere, while still realizing its own interests.

A more moderate stance would be helpful to the United States' position of a Free Trade Agreement of the Americas (FTAA). The United States has continually pushed for an accelerated timetable with respect to the FTAA. Brazil, however, has resisted.

Just before the meeting [of the Free Trade Area of the Americas], President Cardoso characterized

the negotiations as one in which "Brazilian, Argentine, Paraguayan and Uruguayan negotiators sit together and speak through the representative of the country that holds the pro tempore presidency of MERCOSUR. There is no individual position...This statement apparently was more than rhetoric. One month before the ministerial meeting Belo Horizonte, the MERCOSUR partners agreed to present a common position in the FTAA talks that generally opposed the U.S. desire to speed up the negotiations (Cason, 36).

Acknowledging that MERCOSUR countries are making unified decisions on this issue and that Brazil is setting the tone, a more tempered approach that ensures Brazil, as well as other Latin American nations of an American partnership and not dominance, would be more helpful in achieving U.S. trade policy goals.

A less heavy-handed approach is required in Latin America. Our priorities over the past few years appear to be correct. The National Security Strategy for the United States (1999) rests on three pillars: (1) enhance America's security, (2) bolster American economic prosperity and (3) promote democracy and human rights abroad. Clearly, economic prosperity and enhancing democratic values, as well as human rights, have positive implications for Latin America.

While the U.S. strategy addresses promoting America's economy, its implementation in the Western Hemisphere, in addition to NAFTA and FTAA, will be:

Assisting [in] the reform and recovery of banking sectors hurt by financial market turmoil over the past several years... [And] to support the financial and economic reform efforts in Brazil and Argentina to reduce their vulnerability to

external shocks (National Security Strategy for the United States, 40).

This is good for, as the research associated with this thesis showed, democratic control of the military, economic stability, integration and prosperity which are crucial to regional stability, another American security objective.

There are implications for Argentina's current economic crisis, most notably characterized by the threat of default on international loans (*Economist and Economic Examiner*, 2002). Although such economic hardship probably will not accompany a back slide in cooperative security, it may slow down the rate at which security cooperation proceeds in the future. It also presents an area for future study by presenting the opportunity to isolate the two variables and measure their degree of importance relative to each other.

This thesis showed that civil-military relations and economic integration linked together to form an integral component of Southern Cone stability. As previously noted, the Southern Cone cooperative security umbrella is not fully developed. In particular, there is more to do in the area of inter-military confidence building. Continuing, albeit subtle, diplomatic efforts by American Southern Command Forces to interact and foster this integration among Southern Cone militaries would encourage the expansion of MERCOSUR through its common defensive system. This could, in turn, increase regional cooperation and advance MERCOSUR, the region's best hope for economic prosperity. This means the U.S. must work to dispel the perception that MERCOSUR is a substantial challenge to

American hegemony and regional interests. Regional cooperative security is flourishing in the Southern Cone of Latin America which results from the combined effect of civilian control over the military and economic integration because of MERCOSUR. The U.S. must embrace the movement that is MERCOSUR and realize that its prosperity is aligned with the strategic goals of the U.S. for the region, and seek to interact with its member nations as hemispheric equals.

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