



ATLANTIC
FUTURE

**SCIENTIFIC
PAPER**

20

**REGIONALISM AND INTERREGIONALISM
IN LATIN AMERICA: The Beginning or the End of Latin
America's 'Continental Integration'?**

Paul Isbell

Centre for Transatlantic Relations
Johns Hopkins University-SAIS

Kimberly A. Nolan García

Centro de Investigación y Docencia Económicas (CIDE)

ABSTRACT

This paper investigates the development of regionalism and inter-regionalism in Latin America as pertains to trade relations, one of the key drivers of regional integration in the region. The paper develops the outlines of the thesis that 'Latin America' or 'South America' no longer provide the optimal geography for constituting an appropriate region, and that new 'ocean basin regions' offer more promising regional and interregional trajectories for Latin American countries to pursue than do their currently conceived land-based 'trade regions'. By 're-mapping' national figures for bilateral commercial trade culled from the UNCOMTRADE data set, we provide initial quantitative evidence of new Latin American regional trade dynamics emerging within the continent's two flanking ocean basin regions – the Pacific Basin and the Atlantic Basin – where new forms of 'non-hegemonic' and 'maritime-centered' regionalisms are being articulated and developed. The paper concludes that new 'ocean basin regionalisms' offer Latin America alternative options for pursuing regional trade agreements and other forms of inter-regional trade integration which, while remaining complementary to the current sub-continental and continental regionalisms, and could become a new guiding frame for Latin American regionalism.

*[The first draft of this Scientific Paper was presented
at the ATLANTIC FUTURE seminar in Lisbon, April 2015.]*

ATLANTIC FUTURE – Towards an Atlantic area? Mapping trends, perspectives and interregional dynamics between Europe, Africa and the Americas, is a project financed by the European Union under the 7th Framework Programme, European Commission Project Number: 320091.



ATLANTIC FUTURE SCIENTIFIC PAPER

20

Table of contents

1.	Introduction	3
2.	Regionalism and Latin American Regional Integration	5
2.1	A question of terms	5
2.1.1	Trade as Driver and Indicator	6
2.1.2.	Post-Hegemonic Regionalism and other new forms of Regional Integration in Latin America.....	7
2.2	The Limits of Latin America's 'Continental' Regionalism.....	7
3.	Re-Mapping Latin America's Trade Regionalisms and Interregional Horizons	9
3.1	Institutional Roots and Conceptual Inertia of 'Continental' Mental Maps and Data Projections	10
3.2	The Emerging 'Ocean basin seascapes': the blind spot on our global data maps .	11
3.2.1	New Data Cartography.....	12
3.2.2	The Emerging Outlines of Ocean Basin Regions	14
4.	Testing the 'Ocean Basin' Hypothesis.....	18
4.1	First Indicator Test.....	18
4.1.1	Atlantic and Pacific basins	22
4.2	Second Indicator Test.....	23
4.2.1	Brazil.....	23
4.2.2	Argentina.....	25
5.	Conclusion: The Limitations of Land-based Regionalism	26
	References	30
	ANNEX: The Alternative Regional Mapping Model (ARM).....	32

1. Introduction

Nearly from the time of Simon Bolívar's *Gran Colombia* – the first union of independent nations in Latin America formed some two centuries ago— the unique construct of Latin America – partly cultural, partly geographical – has been forged and bounded by experiences of conquest and independence, language and history, political movements and economic trends that are seemingly common enough to have long served to designate the countries of the 'continent' of South America, the 'sub-continent' of Central America, and Mexico, along with the islands of the Caribbean basin, as an identifiable *region* – that is, a set of states interconnected by varying forms of state interaction (Alcaro and Reilly, 2015).

Whereas the Bolivarian dream was once to unite the Andean states under a single political project, in more contemporary periods, the heterogeneity of Latin American states (both between and within them) that remained hidden behind the facades of failed regional integration projects are generally viewed to have conspired to leave *political* cooperation unrealized, in favor of the potentially more immediate and concrete payoff to be expected from the deepening of fruitful *economic* linkages implied by regional integration.

Certainly from 1960 forward, with the creation of the Latin American Free Trade Association (LAFTA), and the Central American Common Market (CACM), and later, the emergence of the Andean Pact in 1969, the motor of regionalism in Latin America has been *regional integration, defined as* the process by which states within a particular region increase their level of interaction with regard to economic, security, political, or social and cultural issues (Van Ginkel, H. and Van Langenhove 2003:4). More specifically, for this paper we recognize and prioritize trade (particularly in Latin America) as the driver of regional integration, meaning both trade and policy decisions made by states (following Hurrell [1995: 43]) to facilitate the removal of barriers and promote commercial trade in goods and services.

In this regard, we start with the assumption – which we claim, *prima facie* – that a relatively high degree of intra-regional economic interdependence – or its pursuit – has acted as the key driver, however (un)consciously, in the construction of regionalisms, but particularly in Latin America.¹ Others have been pegged to and framed around language and culture – and the pathways cut by the historical forces which bore them across the colonial and imperial Atlantic with trade as one of the key economic drivers (ie, the unforgettable trade triangles, at once the spearhead of progress, at once the dark underbelly of the West).

Yet, even given the transformation of early trade agreements into modern and complex regimes (LAFTA to the Latin American Integration Association (ALADI) in 1980; CACM to the Central American Integration System (SICA) in 1993; the signing of NAFTA with Mexico, the US and Canada by 1994, a modern Mercosur by 1991, and transformation the Andean pact to the Andean Community by 1996) – together with the emergence of an overlapping sets of new trade agreements, sometimes featuring the same members and sometimes not – 'intra-regional' trade in Latin America today still lags far behind

¹ One can make the case that other aspects of global economic activity, including investment balances and flows, investment, corporate and supply-chain structures, and technological advances should also be considered key drivers of regionalisms and regional dynamics, but we do not treat these here, at least not directly. WHY?

other regional projects at 27% of total trade, compared to 52% in the Asian blocs and 63% in the European Union (Economist 2013).²

Clearly, repeated attempts to unite the Latin American region under the banner of trade integration have not overcome the very real complexities of political cooperation nor has insertion into world markets through trade resolved questions of uneven economic development within Latin American countries. Although lip service is often paid to geography, most evaluations of this failure focus on political factors – like insufficient political will, excessive ‘political heterogeneity’ or the barriers often unpredictably posed by the various domestic political economies. Only rarely is geography invoked as a force as powerful as politics. Yet, as the Brazilian statesman and strategic thinker, Jose Botafogo Goncalves, recently wrote (2011): “In contrast to Europe or North America, where geography facilitates integration, in South America it favors disaggregation and disunion.”³ Even so, Latin American states have not often looked beyond the horizon bounding the geographic and culturally-defined space of Latin America – and certainly not beyond the landmasses of the ‘Western Hemisphere’ – when charting their regional and inter-regional strategic trajectories either.

Although geography is fixed (at least over the relevant time frames of geopolitics and human efforts at global governance), both technology and political economies continue to shift, changing our relationship with geography (and the ecology which it embodies) – even if our perceptions of what we consider the relevant geography do not change. This conceptualization is at the core of the thesis of this paper: *while geography has not been completely forgotten, it continues to be misread by Latin Americans, and many others, because we are reading it with increasingly distorted and outmoded maps.*

We would suggest that the many impasses and forced fits of Latin American regionalism today (and those associated with ‘trade regionalism’ in particular) have been produced by an overly simplistic and outmoded perception of geography and, as a result, an unfortunate reliance on increasingly distorted maps, both real and mental. Although the empirical patterns reflecting the actual trade flow vectors of Latin America now may continue to overlap with the currently existing system of formal regional trade agreements (RTAs), these shifting flows may no longer appropriately fit what is an increasingly outmoded system of Latin American trade regionalism.

As a result of changing technology and evolving political economies, new relevant geographies now facilitate deepening intra-regional connections and collaboration. However, the new geographies also demand new regions. For better, or for worse, we will also need a new map – and a new projection of it – in order to see the possibilities of these new regionalisms. We argue that Latin America no longer serves as the optimal geography for an appropriate region (interpreted either narrowly as a trade region, or more broadly as a multi-faceted governance region). Rather, a Latin American regionalism based on the spaces of the ‘ocean basins’ may offer a more

² We refer to *intra-regional* trade as the commercial exchange of goods and services within states of the same ‘region’, as defined on page 2. *Extra-regional* trade is therefore trade with a state outside of a chosen region. Individual *inter-regional* trade flows are part of total extra-regional trade.

³ Not only does Botafogo highlight the continuing barriers represented by the Andes, the Amazon and the rest of the vast continental deep interior, but he is also pointing to the uniqueness of the South American hinterland which, along its Southern Atlantic counterpart in Africa, has never been as porous to global flows (or as accessible to governance) as have the Great Plains of North America, the northern-central plains of the European subcontinent, or even the great Heartland of Eurasia (Botafogo and Oliveira 2011). THIS IS DEBATABLE. EUROPE HAS THE ALPES, ASIA THE HIMALAYA, ETC. MOUNTAINS CAN DIVIDE BUT JUST AS OCEANS THEY CAN ALSO CONNECT.

appropriate regional (or inter-regional) trajectory – the Atlantic Basin or the Pacific Basin – for the Latin American countries to pursue. This paper presents the outlines of that new map, arguments for its use (at least as a new complement), and its implications for Latin America.

2. Regionalism and Latin American Regional Integration

Admittedly, the definitions we have cited in the Introduction (and summarized below in Table 1) for key related terms (like region, regional integration, regionalism, etc.), come more from – and apply more readily to – past conceptual ‘waves’ of regionalism and historical phases of its practice, than to those forms now evolving in our current epoch. Such traditional definitions clearly frame ‘regionalism’ in more formal, state-centric terms. But if there is such a thing as a conventional consensus-of-opinion approach to regionalism, it continues to view the role and participation of the states as central to the discussion and the practice.

As the editors of The Ashgate Research Companion to Regionalism recently concluded: “Despite a number of recent analyses . . . that have cogently illustrated new regionalism’s promising precepts – drawing our attention to the multiplicity and multilayered character of regions and emphasizing the importance of non-state actors and spaces – the main theoretical implications of ‘new’ regionalisms still seem to bypass many contemporary (and conventional) studies of regions. . . . The orthodoxy of the state as the principal builder and shaper (or dismantler) of regions remains central in many of these studies. . . .” (Shaw et al, 2010).

2.1 A question of terms

Many of the definitions we have used here fit easily, for better or worse, into that somewhat outmoded category. However, they are meant only as baseline definitions which remain useful nonetheless when interpreted with a close but nuanced reading. For example, a ‘region’ – along with the ‘regionalizing’ forces (trade chief among them) which generate and shape it – are not all driven by states. Yet, even trade itself is typically viewed within traditional trade theory (rightly, wrongly or both) as form of state interaction.

Furthermore, even if one views trade as a non-state, private sector affair, all of the states implicated already have a state articulated and executed trade policy and nearly all are involved in a complicated and often inefficient web of bilateral and multilateral agreements (and a growing body of international law behind those agreements and in the spaces in between them) which regulate such trade. However, the regulatory outcome of such a ‘non-regional’ web of policies and agreements often is sub-optimal simply because it cannot bear the weight of a new deepening in ‘intra-regional’ trade (and is therefore increasingly inefficient).

Table 1. Definition of Terms

region	a set of states interconnected by varying forms of state interaction	Alcaro and Reilly (2015)
regional integration	the process by which states within a particular region increase their level of interaction with regard to economic, security, political, or social and cultural issues	Van Ginkel and Van Langenhove (2004)

regionalism	a state-led or states-led project designed to reorganize a particular regional space along defined economic and political lines	Payne and Gamble (1996)
Inter-regionalism	Relationships between regions	Söderbaum and Van Langenhove (2013)
trade (as the driver of, and proxy for, such integration)	policy decisions made by states to facilitate the removal of barriers and promote commercial trade in goods and services	Hurrell (1995)

So while states can create ‘regions,’ new regions can also generate themselves out of regionalizing dynamics which are independent of the state – like evolving patterns and densities of global flows (ie, international flows, including international trade, as in our study, or international migration or international illicit nexi in future ones), most of which are private sector (or non-state) driven. Therefore, although we formally cite the Alcaro and Reilly definition in Table 1 as our definitional point of departure, we view the state as relevant to the generation and existence of a ‘region’ but *not as necessary or key*. In this sense, we can make the claim that the Atlantic Basin exists and is deepening in its densities and unique regional complexities even though no national state formally participates in any regional agreement – at least not yet.

However, in the case of consolidating a ‘formal’ region through a deeper form of ‘regionalism,’ the state would, at least eventually, become a necessary and key agent of the regional project among states ‘to reorganize a particular regional space along defined economic and political lines,’ as ‘regionalism’ has been defined here, borrowing from Payne and Gamble (1996). In the definitional space between a ‘region’ as ‘a set of states interconnected’ (which does not necessarily, and often does not require active state agency) and ‘regionalism’ as a ‘state-led project,’ there is an intermediate and flexible form: ‘regional integration.’ Defined as a process by which states in a region increase their level of interaction in the economic, security, political, or social and cultural domains, ‘regional integration’ *may or may not* imply a proactive state role, particularly at earlier stages, or in more shallow forms.

Viewing regionalism in this baseline reference way – as a state-centric project in the context of either Cold War or early globalization insertion strategies– allows us to remain compatible with the earlier perspectives (‘waves’) and forms (‘phases’) of regionalism and, as a result, also relevant to the ongoing lines of this more conventional discussion.⁴ However, holding a simultaneous view of regionalism as a *process* as well as an *outcome* – as we do – would imply that a project of creating a ‘region’ can always be under construction, potentially, regardless of the proactive nature of state involvement (or lack of it), or of the expanding range of transnational protagonists and agents now potentially operating in lieu of, or alongside, states.

2.1.1 Trade as Driver and Indicator

⁴See Ayuso and Gardini (2015) for a discussion of waves of Latin American regional integration.

Trade takes over nearly from the beginning of the story in Latin America as the most obvious driver of ‘South American’ or ‘Latin American’ regionalism. Yet, the ‘regional horizons’ remain underpinned and ultimately channeled, if not constrained, by the even deeper, underlying drivers of regionalism: geology, geography, and technology – an ongoing dialectic which lends something as potentially as innocuous as trade its waxing and waning geo-economic and geopolitical characteristics.

In such a context, ‘intra-regional’ trade (in relation to ‘extra-regional,’ and ‘inter-regional’ trade) represent one of the key (if not the key) connections between the countries of a region or potential region and becomes a key indicator of the existence or nascent emergence of a region or a potential region. But because trade is so key among international connections via physical flows, intra-regional trade also serve as a broad but credible proxy for regional connectedness and mutual interdependency in general – and for that multi-faceted and multi-disciplinary complex of regionalizing dynamics beyond trade which can also deepen a region and lend it the relatively autonomous nature of a sub-system within a larger, closed global system, even long before it has, if it ever does, more formal diplomatic and governance structures around it.

2.1.2 Post-Hegemonic Regionalism and other new forms of Regional Integration in Latin America

In the most recent stage of regional integration, which Tussie and Riggiozzi (2012) labeled *post-hegemonic regionalism*, new patterns have begun to emerge. As we will demonstrate more fully below, some of these new patterns play out upon the ‘mental map’ of Latin America’s broadening regional and inter-regional horizons – like the widespread perception that the Atlantic has been displaced by the Pacific (and by China in particular) in terms of global economic significance and geopolitical importance. But others are unfolding in and across the very ocean basins of the Atlantic and the Pacific worlds, two potentially new ‘regions’ – representing the newly emerging form of open, post-hegemonic, maritime-centered regionalisms – that are both currently experiencing multi-faceted intra-regional-basin deepening, in trade and other flows, and mutually feeding each other’s development with ‘inter-basin’ Atlantic-Pacific trade – an inter-regional trade flow vector the growth which will be facilitated by the enlarging of the Panama Canal.

A second aspect of this post-hegemonic phase of regionalism has been movement – both regional and inter-regional at once – toward cooperation and integration among the Pacific Basin states of Latin America. The Pacific Alliance of Mexico, Colombia, Peru, and Chile, an initiative that began in April of 2011, is a recent example. While these four partners have, in general terms, liberalized their trade through previous agreements, their objective now is to eliminate 92% of tariffs between them (Pacific Alliance 2015). The Pacific Alliance also represents a new ‘coastal’ vector of inter-regionalism within Latin America, as it joins Mexico with three Pacific Andean states. Furthermore, the Pacific Alliance, through its participation in the proposed TPP, is extending this vector of open, non-hegemonic inter-regionalism across the Pacific Basin to Asia⁵, possibly creating a new form of ‘maritime-centered, ocean basin regionalism, as we propose more thoroughly in the sections that follow.

2.2 The Limits of Latin America’s ‘Continental’ Regionalism

⁵ See “Pacific Alliance Trade Bloc Eyes Global Role”. Strategic Comments, February 2014, 20 (2), pp. ix–x. ADD REFERENCE IN TEXT

In the end, Bolivar's dream has never been realized, and there have been many failures. But the 'continental' Latin American dream that has grown from Bolivar and fed by many others, is not yet quite dead. Inter-regionalism, intersecting sub-regional agreements with overlapping memberships, and the growing need for harmonized rules of origin and other trade rules imply that 'continental scales' (if not 'frames') of integration are possible and desirable. UNASUR, the Union of South American Nations, is one such continental proposal. Signed in 2008, the agreement intends to unite the already consolidated agreements of Mercosur and the Andean Community into one agreement that features the rules of the regional trade accords of both, within a Mercosur-style overarching political structure for common policies and regional issues, including regional security and a regional development bank. The key to the UNASUR proposal is overlapping membership by Bolivia, and Venezuela, who was to return to the CAN after 2007. Mexico and Panama serve as outside observers. The frustrating irony is that UNASUR now serves more as a body striving to represent the South American continent.

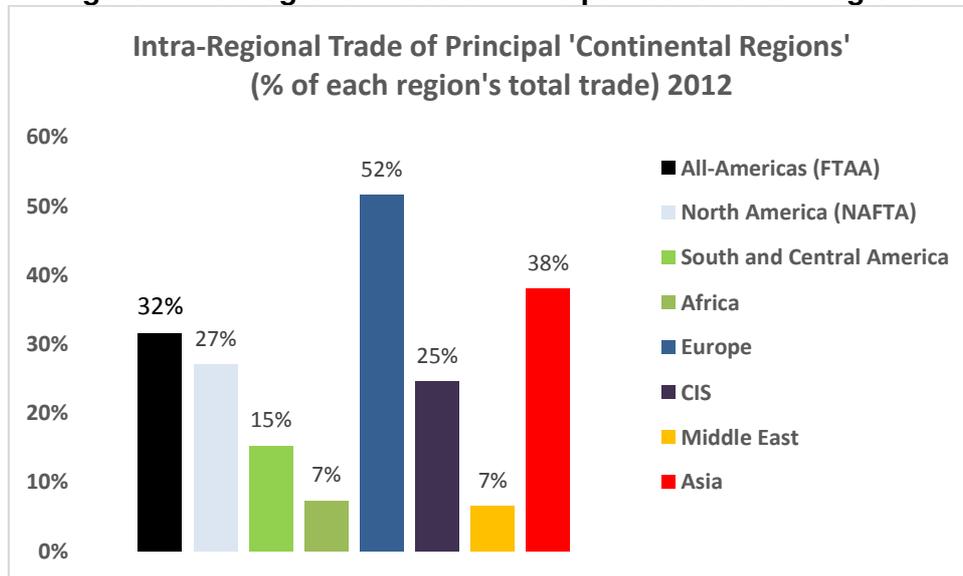
While some sub-regional integration accords have experienced varying levels of relative success, the history of regional economic integration in Latin America as a whole largely reveals a record of relative failure. The 'old regionalism' in Latin America never had a lasting economic impact – independent of what some countries, like Brazil, actually managed to get out of ISI – and was never implemented on a wide scale, although it did generate lively historical and theoretical debates and was emulated in other parts of the developing world, particularly in Africa.

While integration seemed the ideal solution early on, sovereignty and heterogeneous policy preferences proved to be important obstacles (Moreira et al. 2007, 101). For example, even four decades of integration efforts in the Caribbean, whose tiny islands states should constitute a 'region' that would benefit the most from integration within their own maritime geography, have not yet achieved the desired results, despite its relative success within the context of Latin America (Moreira et al. 2007, 127–128). Other experiments failed due to the central contradiction between wanting greater integration internationally, while sustaining protectionist policies of import substitution domestically (Kaltenthaler and Mora 2002, 72).

During the first two decades (1990s and 2000s) of the globalization era, the economic potential of integration was not fully realized. This has generally been attributed to the fact that states did not implement sufficient domestic policy changes to promote deep integration, or to remove barriers that remain around rules of origin, residual tariffs, technical standards and harmonization and other regulatory standards, infrastructure issues, and other market structure barriers (UNCTAD 2003: 20). Even still, we would have expected that the proliferation of regional trade associations (RTAs) in Latin America during the 1990s (undertaken in spite of ongoing political heterogeneities), along with the expansion of bilateral agreements between American states in the post-2000 period, would have generated relatively high (or, in the very least, higher) levels of 'intra-regional' trade within these regions (as a percentage of total trade) than in the past. However, this has not necessarily been the case.

Figure 1 presents intra-regional trade (as a percentage share of total trade) for the world's principal 'continental' regions. It reveals that intra-regional trade in Latin America – in this particular case meaning, South and Central America plus the Caribbean but not Mexico – is very low, only 15% of the total trade of the 'region.' This is well below (or, about half) the global continental average (approximately 30%) and is dwarfed by the intra-regional trade levels of Europe (well over 50% in broader Europe and nearly two-thirds of total EU trade within the European Union, itself) (Eurostat 2014), and even those of Asia.

Figure 1. Intra-Regional Trade of Principal 'Continental Regions'



Source: WTO 2013 and own elaboration.

Even extending the regional unit of analysis to embrace the entire 'super-continental' landmass of the Americas – an act of 'data cartography' that, in embracing the world's second largest landmass, would average out the intra-regional trade levels of North (27%) and Central/South America (15%), but also now include within the 'intra-regional' trade category all of the 'inter-regional' trade flows between North and South America that would previously not have been included – only puts Latin Americans, within the much broader context of the old 'Western Hemisphere,' at 'intra-regional' trade levels of only 32%, the global average for the world's 'continental regions.'

Perhaps, as we propose throughout the remainder of this paper, the missing piece to the puzzle of failed Latin America regionalisms, in general, and regional integration, in particular, is to be found not only in the nature of the agents and protagonists, or the range of concerns and modalities of these regionalisms – as the incipient 'third waves' of regionalism thought and analyses are beginning to suggest (Shaw 2010) – but also in their 'faulty geographies.'

3. Re-Mapping Latin America's Trade Regionalisms and Interregional Horizons

Ever since the World Wars and the times of decolonization, the *Atlantic* has generally meant the North Atlantic (i.e., the US, Canada and Europe) and *transatlantic relations* have largely meant relations between the nation-state members of the North Atlantic Treaty Organization (NATO) (Isbell 2012) The South Atlantic has been, if not forgotten, then typically split up and distributed into other conceptual or regional categories. In any event, most observers do not yet tend to think of the Atlantic Basin – in its entirety, both North and South – as a distinct, coherent and potentially unifying space upon their mental maps.

In large part this is because the emergence of the Pacific Basin in the late 1980s sparked a cyclical global discourse over the decline of the West, giving rise to a

conceptual rivalry over whether the new century would ultimately be proclaimed the 'Pacific Century' or rather, simply, the 'Asian Century.' The former might imply that the net effect of post-Cold War 'globalization' would be a long term shift in the center of gravity of global power from the Atlantic to the Pacific Basin. North America would still remain the dominant protagonist, via its Pacific projection, but such a shift would imply that Europe would now find itself increasingly irrelevant in geopolitical and geoeconomic terms (Lamo de Espinosa 2010).

An 'Asian Century,' on the other hand, could imply that globalization would produce a structural shift in relative global power and influence from the geographic and historical West to the East, regardless of whether this would be the result of an absolute decline of the West or a relative 'rise of the Rest' (Amsden, 2011). In both cases, however, the 'Atlantic' slips out of view, as the focus of attention shifts to 'Asia-Pacific,' the geographical antipodes of the 'West' and its traditional North Atlantic axis.

These recent shifts upon our mental maps of the world have largely followed the global media's portrayal of the rise of Asia and the Pacific during the age of globalization. As we will see below, however, these 'shifts' are more deeply framed by a number of ingrained patterns of perception developed during the Cold War past which continue to obscure from our view both the Pacific and Atlantic Basins – and the oceans and seascapes in general – as coherent analytical, strategically significant and potentially unifying spaces.

3.1 Institutional Roots and Conceptual Inertia of 'Continental' Mental Maps and Data Projections

One of the ingrained patterns of perception in the typical projection of our global mental maps is deeply rooted in our international organizations and institutions. These bodies – the source of most official international data – overwhelming date from the post-World War II and Bretton Woods epoch. As such, these institutions still tend to reflect – in their bureaucratic infrastructures and 'programmatic DNA' – the global conceptual framings, perceptions and assumptions of the Cold War, colonial, and early post-colonial realities.

Perhaps it should not surprise us, then, that the same is true of the categories of data produced by these same international and regional institutions and organizations. The open-source databases of the International Monetary Fund (IMF), the World Bank (IBRD), the World Trade Organization, the Organization for Economic Cooperation and Development (OECD), the International Energy Agency (IEA), the rest of the UN-family of organizations, the European Union (EU), and many others, typically produce a 'data map' that is arranged and shaped into the loose geographic and economic abstractions reminiscent of the postwar/Cold War epochs.

On this increasingly obsolete categorical mental map of the past – but nevertheless still deeply embedded in the default and optional categories for regions and groupings within the databases of these organizations and institutions – the most typical categorical breakdown is conceptual (as opposed to 'geographic'). In these abstract 'data projections,' the advanced industrial market democracies of the OECD (or what many have called the 'North' or the 'West') are juxtaposed to, or ranged against, the 'developing countries,' (or 'less-developed countries'), the 'emerging markets' and the other 'transition' countries of what many now call the 'Global South' – but it has a kind of open membership to any country from the old 'second' and 'third' worlds.

At the same time, most regional (and at least many of these same international) data sources often employ the standard 'continental' and 'sub-continental' categories (ie,

North America, Africa, South America, East Asia, etc.) as the default mode for the 'regional' aggregation of country-level data reported nationally (as opposed to a 'global aggregation' which is typically included as an alternative baseline framing along with the national). Moreover, some organizations still categorize their nationally-reported data around historically (or culturally) or geopolitically-defined regions like Latin America or 'Eurasia' or 'East Asia,' etc. Indeed, most international organizations, regional groupings and transnational bodies of all types – along with the data flows associated with their activities and concerns – are almost always framed around land-based, terrestrial, continental (or sub-continental) groupings which, more often than not, are the legacies of geographic and technological realities – and the corresponding geopolitical scenarios – now increasingly part of the past.

Therefore, our international data tends to be presented and applied in the conventional 'national,' 'sub-continental,' 'continental,' or 'global' framings. While such a presentation of the data might accurately reflect the land-based, continental mental map still predominantly shaping our current conceptualizations of regionalism, it also generates a blind spot on the mental map that limits the capacity of even the best and most revealing data to capture newly emerging regional dynamics.

This is because these data categorizations shape the way the data is presented, which, in turn, at least in part defines what the data is most capable of revealing most clearly, and – as with any cartographic projection – what it simply cannot reveal. The newly emerging ocean basin regional dynamics cannot be readily seen in the standard presentations of international data, given that they typically begin with country level figures reported nationally and then proceed to aggregate to the 'global' level only via sub-aggregations into the 'sub-continental,' 'continental' – or other 'historical' or abstract economic categories.

3.2 The Emerging 'Ocean basin seascapes': the blind spot on our global data maps

As a result, the multi-faceted ecological and geopolitical significance – and potentially huge economic value of the oceans – has been obscured in the margins of the projections, lost in a 'blind spot' along our strategic horizons. (Pitta e Cunha 2014) This strategic 'blind spot' affects our perceptions not just of the dynamics of the human political economy or the ecological balance of the biosphere, but also our theoretical and political discussions of regionalism and related attempts to define a coherent, meaningful and relevant 'region.'

The four major ocean basins – the Atlantic, Pacific, Indian and Arctic Basins, along with their tributary seas and sub-basins (like the Caribbean, Mediterranean and Baltic Basins) – together constitute a global seascape which covers the dominant part (71%) of the surface of the planet and constitutes, within its sub-surface depths, 96% of the living space of the biosphere by volume. (Borges de Sousa and Lobo Pereira, 2014) This 'global seascape' – through its four main ocean basin articulations – connects all of the terrestrial continental bodies, and envelops all of the world's islands.

Furthermore, this global (or basin) 'seascape' is on the rise, relative to the landscape, in strategic terms. Transportation and commerce have, and continue to be, far more efficiently undertaken by sea. Over 90% of physical merchandise trade (by volume, and three-quarters by value) takes place via marine transport along the world's sea lanes (including two-thirds of the global oil trade, one-third of the gas trade, and the large majority of other 'global material flows', which together are expected to triple by mid-

century). Total global seaborne trade has increased since 1970 at an average annual rate of 3.1% and is expected to double yet again by 2030 (UNCTAD 2012).⁶ Already some 5% of global GDP – or 3 trillion U.S. dollars annually – is generated from marine and coastal industries, while some 40% of the world's population directly depends upon marine and coastal biodiversity.⁷ Some estimates monetize the full economic value of the ocean basins (seas and estuaries) at as high as US\$20 trillion per year (upwards of 20% to 25% of current annual global GDP).⁸ Furthermore, the role of the oceans in the maintenance of species diversity and of coastal ecosystem services, and in the absorption of carbon dioxide, is critical, and – given the deplorable state of oceans in general and their rapid rate of deterioration – it will demand more and more intensive transnational collaboration. (Holthus, de la Gorce, and Anne-François de Saint Salvy 2012, Holthus 2012)

Even so, most of our historical, existing or aspirational 'regionalisms' and 'regions' remain terrestrial, land-based, 'sub-continental' or 'continental' – as opposed to maritime-centered, ocean basin-based-regions and regionalisms. Certainly, the central thrusts of the trade driver of Latin America regionalism in the age of globalization (late 1980s to the late 2000s) have come primarily from the more traditional, land-based, sub-continental and continental RTAs and regionalisms like Mercosur, the Andean Community, the Central America Common Market, and even NAFTA (for Mexico and, perhaps once, for Chile) and the aspirational Free Trade Association of the Americas (FTAA) – although there have been some maritime-centered exceptions, like the CARICOM.

3.2.1 *New Data Cartography*

Our approach begins by re-categorizing, rearranging and 're-projecting' existing and generally available data. Applying this 'data cartography' to the annual volumes of world trade, we have mapped and 'remapped' the 'intra-regional,' 'inter-regional' and other 'extra-regional' trade flows (in this particular case, of Latin America countries). To chart these 'data maps' we have used two different cartographic data projections.

The first – what we call the 'continental' projection – is framed by, and reflects, our current 'land-centered' conceptions of regionalism. In this 'regional' projection of the world, the data aggregates (and disaggregates) conveniently, almost naturally, along national, conventional regional (ie, 'sub-continental' and 'continental') and global lines. We see a world of individual countries, then we see an aggregated world community, and then we see the world organized as 'continental' regions, a vision of regional borders that is nothing more than an exact 'print' of our land-dominated mental maps.

The second, new projection of the global map, we call the 'ocean basin projection.' This projection of the data onto the global trade map allows for a maritime-centered conception of regionalism. Rather than simply see – and analyze – data, trends and

⁶ Since the mid-19th century, it has increased 400-fold in cargo volume terms, reaching nearly 1.5 trillion tons of seaborne cargo per capita annually. (Stopford 2010)

⁷ See Marcia Stanton, "The Worth of the Deep Blue," *Namib Times*, April 27, 2013 (<http://www.namibtimes.net/forum/topics/the-worth-of-the-deep-blue>) (Stanton 2013), and Global Ocean Commission, "Petitioning Ban Ki-moon: Help secure a living ocean, food and prosperity - propose a new agreement for high seas protection" September 2014 (<https://www.change.org/en-GB/petitions/ban-ki-moon-help-secure-a-living-ocean-food-and-prosperity-propose-a-new-agreement-for-high-seas-protection-in-september-2014>) (GOC 2014).

⁸ According to Pitta e Cunha (2014), a World Bank study undertaken in 2008 estimated that the total annual value of all marine ecosystem services, globally, and for which there already existed a market, was US\$20 trillion, equivalent to about 33% of a nominal Global GDP at the time of around US\$60 trillion.

projections at the continental level (in addition to the national and global level), this projection organizes the regional categories very differently.

Critically, the conceptual starting point is the sea, as opposed to the land. If – when starting all from zero – we take any world map, or better yet the globe, and set the focus of our attention first on the oceans and only then on the land, and from the perspective of the seas – meaning the land rims of the surrounding land-masses – as opposed to the other way around, then we can see the ‘ocean basin world’. If we can remember looking at any number on intricate relief patterns, and staring fixedly at them long enough for the relief and its pattern to abruptly fade away and to be replaced by its inverse, then we can remember that a new pattern – once the backdrop and potential source of a blind spot – emerges then and we suddenly see a new world.

Rather than start with the island-landmasses (as Mackinder did, for example, and even Spykman later), and then proceed rapidly to drawing lines around the ‘continents’ which we actually ‘constructed’ over the millennia – cutting ‘Europe’ into existence by slicing the supercontinent along a very porous border, and leaving the oceans as the marine residue. An ‘ocean basin projection’ would start with the oceans and paint brushstrokes in a broad rough ring, uniquely shaped in each case, around the entire ocean basin, including its ‘maritime rimlands’ (as opposed to ‘continental rimlands,’ as Spykman saw the coastal rimlands, that is, from the perspective of the interior heartland of the landmass) and its islands (including ‘dual basin islands’ that separate one basin from another, mediating between them).

To generate an ocean basin projection, we cast the data within the frame of a world map which has been ‘re-projected’ into three major ocean basin regions and a residual land-based region:

- (1) the Atlantic Basin
- (2) the Pacific Basin
- (3) the Indian Basin

Once the ocean basins have been delineated⁹ – and the continental landmasses split, as a result, along their geographic and political economy ‘continental divides’ (see the discussion on regional definitions below) – a new regional ‘unit of analysis’ is acknowledged:

- (4) the Great Crescent

This new ‘notional region’ groups together the ‘rest of the world’ (ROW) that is ‘left over’ by such an ocean basin projection of the globe – that is, the *Middle East*, *Central Asia* and *Russia*. Put another way, the so-called ‘Great Crescent’ is what remains as the residual land-based region of an ‘ocean basin world.’ The Great Crescent could be viewed, not just as a shadow of the former ‘pivot of history,’ but also as the ‘geopolitical antipode’ or ‘geopolitical photographic negative’ of what was once the forgotten ‘South Atlantic.’

Such an ocean basin projection provides a strategic cartographic data tool with which to nudge our currently reigning geopolitical and geo-economic maps away from their

⁹ The Arctic Basin is one of the inevitable ‘blind spots’ of this version of the ocean basin projection. However, we have only ignored the Arctic Basin because of very limiting data and methodological constraints. In particular, to build our regional mapping model of global flows to include the Arctic as the ‘fourth basin’ would require a category for ‘tri-basin countries,’ and much more complex structures and coding within the model. Given these short-term limitations, together with the fact that the Arctic has not yet truly opened to global flows, it has been sacrificed in this initial version of the projection.

overwhelmingly national, and land-based, continental regional focuses and framings, and towards a more universally-applicable and more fully-fledged ocean basin projection of our global mental maps – one more in line with the emerging strategic realities and global flow vectors on the actual map of our world.

3.2.2 The Emerging Outlines of Ocean Basin Regions

To produce an ocean basin projection of the global geopolitical and geo-economic flow map requires deeper ‘re-cutting’ of the current data to account for a number of geographical realities of the world’s ocean basins. Continental data categories need to be split between the ocean basins on their shores. Among other issues, this analytical need raises the question of how to meaningfully reflect – and properly account for – the ‘intra-basin’ and ‘extra-basin’ trade of the ‘land-locked’ and ‘dual basin countries’ (ie, those with coastlines on more than one ocean basin, like the US, South Africa or Indonesia).

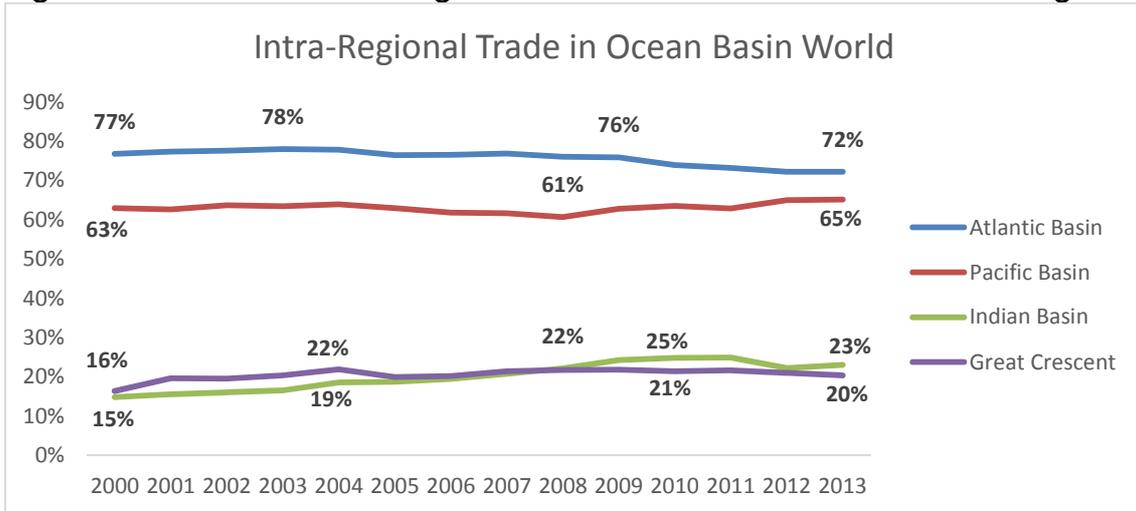
In order to affect this re-cutting of ‘dual basin’ and land-locked countries (and their trade flow ‘plits), and then to aggregate country trade flows into our new ‘ocean basin regions, we have created an Alternative Regional Mapping Model (ARM). A description of the model, including an explanation of the dual basin adjustment, and a list identifying each country in the world by basin region – can be found in the Annex.

The broad outlines of an ocean basin world emerge in Figure 2, which presents the recent evolution of the share of each basin’s intra-regional trade in relation to its total trade. Both the Atlantic Basin and Pacific Basin exhibit very high shares of intra-basin trade – 72% and 65%, respectively. These intra-regional trade shares remain more than twice as high as the corresponding shares for the entire Western Hemisphere and the world’s other ‘continental’ landmasses. The recent evolution has been relatively flat for both, with the expected slight decline in the Atlantic, and the expected slight rise in the Pacific Basin.

This suggests that these two ocean basin have regionalized far more in trade terms than have the landmasses of the Americas, Latin America’s traditional space for trade regionalism and inter-regionalism. The same could be said of these basins with respect to the other continental landmasses, with the partial exception of Europe. However, even the EU’s intra-regional trade share has fallen by six percentage points from its level (68%) in 2008. (Eurostat 2014)

Furthermore, while the intra-regional trade shares of the Indian Basin (23%) and the Great Crescent are much lower (20%), *they are still higher than most of the world’s continental landmasses and have grown faster than any other intra- or inter-regional trade flow vectors possible in an ‘ocean basin world’* (10 in all, see Figure 10). All of this suggests that the gravities of trade are pushing the frontiers of regionalisms into the sea as the ocean basins coalesce as a basic regional structure within the global system.

Figure 2. Ocean Basin ‘Intra-regional’ Trade in the World’s Ocean Basin Regions



Source: UNCOMTRADE database on total global (bilateral) trade and own elaboration, via development and application of the Alternative Regional-Data Mapping Model (ARM) to the entire UNCOMTRADE database.

Figure 3 and Table 2 broaden the picture of global trade flows by including the six inter-regional flow vectors along with the four intra-regional flow vectors shown above in Figure 8. In Figure 9, we see the dominant share of intra-Atlantic Basin trade with the total of all global trade flows (nearly half over the entire period); while this share fell to 42% by 2013, Figure 9 and Table 4 reveal that the intra-Atlantic trade contributed more to total growth in global trade (37%) than any other flow vector, including intra-Pacific Basin trade (35%) and Pacific-Atlantic Basin inter-regional trade (12%). Nevertheless, flow vector growth rates of the period were more or less inverse to the size of relative shares – suggesting ‘basin re-balancing’ in the context of globalizing growth – with the smallest flow vectors like intra-Indian Basin and intra-Great Crescent trade growing the fastest.

Figure 3. Regional Articulation of Global Trade in an Ocean Basin (Regional) World, Data-Remapping 1996-2013

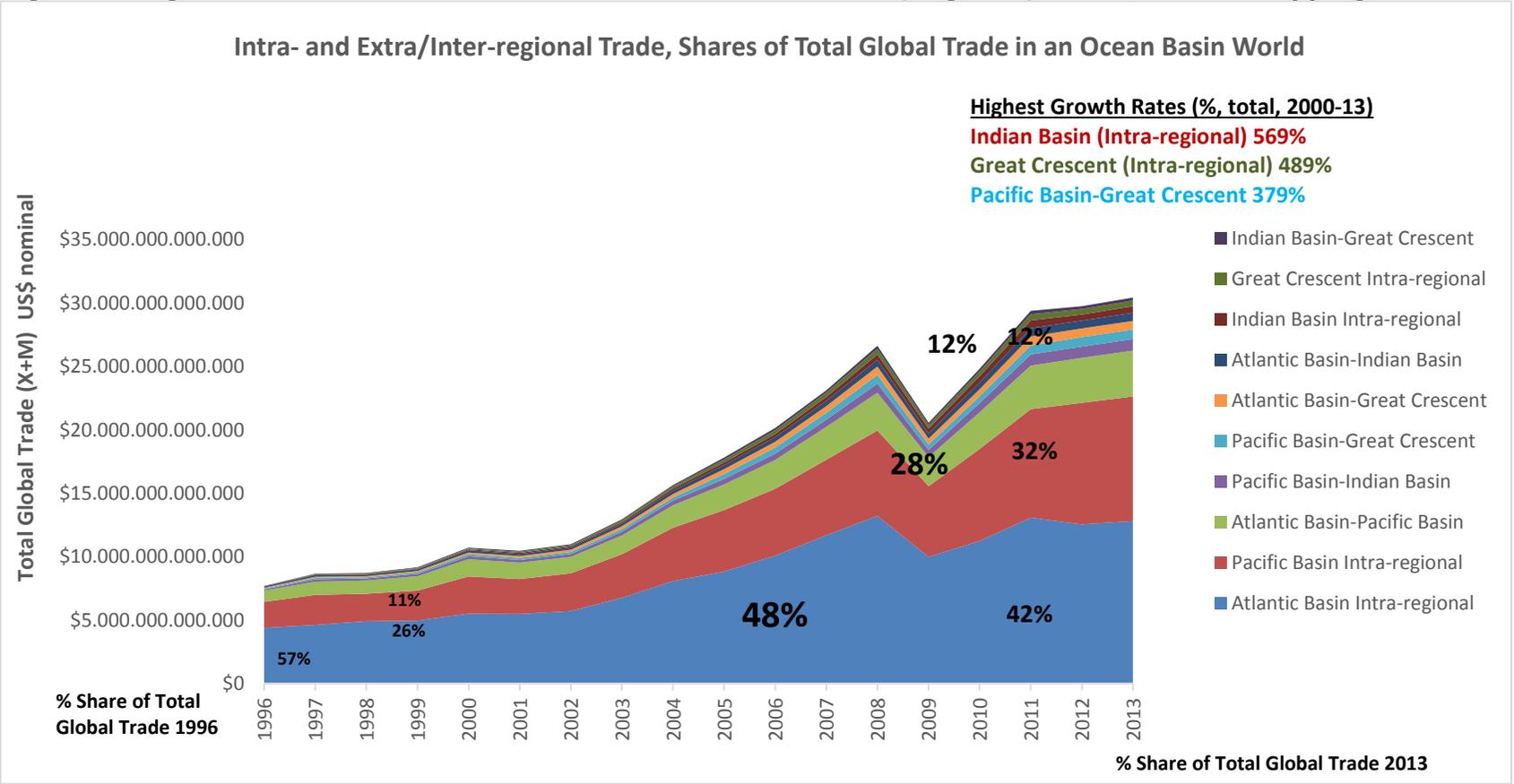


Table 2. Intra-basin and Inter-basin Regional Trade Patterns Articulating an Ocean Basin Pattern and Dynamic of On-going Globalization, 1996-2013

Intra-regional (4)/Inter-regional (6) Trade Flows	Share of Total Global Trade			Total Growth (%) of Trade Flow Vector	Contribution of Trade Flow Vector to Growth in Total Global Trade
	1996	2000	2013	2000-13	2000-13
Intra-basin (4)/inter-basin flows (6)					
Atlantic Basin Intra-regional/intra-basin (1)	57%	51%	42%	133%	37.1%
Atlantic Basin-Pacific Basin Inter- regional/inter-basin (1)	11%	13%	12%	168%	11.5%
Atlantic Basin-Indian Basin Inter-regional/inter-basin (5)	1%	2%	2%	275%	2.3%
Atlantic Basin-Great Crescent Inter-regional/inter-basin (4)	1%	1%	2%	345%	2.8%
Pacific Basin Intra-regional Intra-regional/intra-basin (2)	26%	27%	32%	233%	34.9%
Pacific Basin-Indian Basin Inter-regional/inter-basin (2)	1%	2%	3%	293%	3.4%
Pacific Basin-Great Crescent Inter-regional/inter-basin (3)	1%	1%	2%	379%	3.0%
Indian Basin Intra-regional Intra-regional/intra-basin (3)	0%	1%	2%	569%	2.3%
Indian Basin-Great Crescent Inter-regional/inter-basin (6)	0%	1%	1%	300%	0.9%
Great Crescent Intra-regional Intra-regional/intra-basin (4)	0%	1%	1%	489%	1.8%
Total Global Trade (all national bilateral, X+M, 4 intra-regional + 6 inter-regional trade flow vectors)	100%	100%	100%	184%	100%

4. Testing the ‘Ocean Basin’ Hypothesis

In light of the above, we propose an ‘ocean basin’ hypothesis: *the most logical, if not optimal, space for regionalisms, are the ocean basin regions – not the land-based, ‘sub-continental’ and ‘continental’ regions which have dominated Latin American strategic traditions.* This hypothesis will be tested by *the proxy indicator of ‘intra-regional’ trade connections.*

The testing of this hypothesis is underpinned by a few assumptions. The first assumption is that trade is at least a potential driver of regionalism. The second is that intra-regional trade is at least a reasonable – if not the single best – proxy for indicating regional connectedness. A related assumption is that the growth of intra-regional trade (and its contribution to the growth of total trade) indicates, as a proxy, a deepening ‘regionalization’ of such connectedness. Finally, it is assumed that deepening ‘regionalization’ and ‘connectedness’ is a reasonable indicator of the possible existence of a justifiable logic for exploring (and/or goal for pursuing) a more formal regionalism, like regional integration in any of its deepest or more shallow forms. *In other words, the intra-regional trade of Latin American countries, within their traditional ‘sub-continental’ and ‘continental’ RTAs and other more encompassing regionalisms (both actual and historically aspirational) should be relatively high and/or growing if such Latin American regionalisms, driven by regional integration and trade as they have been, are to be deemed successful, or even of continuing strategic relevance.*

4.1 First Indicator Test

The first key indicator used to test the hypothesis is the share of a country’s total international trade which is considered to be ‘intra-regional’ – that is, trade with another country that is considered to belong to the same ‘region.’ This indicator represents the relative intensity of a country’s international trade interdependence within a defined region (or intraregional trade ‘connectedness’).¹⁰ This indicator is formulated by dividing the level of a country’s intraregional trade by the level of its total global trade. What is not ‘intra-regional’ trade (in relation to any defined region) is considered to be ‘extra-regional’ trade with the rest of the world – that is, trade with countries outside the defined region. ‘Inter-regional’ trade – a sub-set of ‘extra-regional’ trade – is considered to be trade outside the defined region with another defined region.

To conduct the test, a country’s intra-regional trade share within its corresponding ‘ocean basin region’ – its largest potential regional scale within the ocean basin projection – is first compared to that within its land-based ‘sub-continental’ region – typically its smallest potential scale within a ‘continental projection’ of the map. Second, a country’s intra-regional trade share within its corresponding ‘ocean basin region’ is then compared to that within its land-based ‘continental’ region – typically a mid-range scale within the ‘continental projection’ of the map. Finally, a country’s intra-regional trade share within its corresponding ‘ocean basin region’ is compared to that within its land-based ‘super-continental’ region – the largest regional scale within the ‘continental projection’ of the map.

Tables 3 and 4 summarize the full range of results for Atlantic and Pacific countries and dual basin and land-locked countries, respectively. All of the Atlantic and Pacific countries (in our universe of 10 Latin America countries) passed the hypothesis test at

¹⁰ Trade itself serves as a broad yet representative proxy for international economic and social interdependence or connectedness. Source? Could benefit from some self-reflexive thoughts, for example the lack of informal trade.

all the levels of regional scale, with the sole exception of Ecuador, which passed the ocean basin test at the 'sub-continental' and 'continental' regional scales, but not at the 'super-continental' scale of the notional FTAA. A completely successful test at all three levels of regional scale is marked by a yellow shade, while green denotes that the test was successful at all but the 'supercontinental' (FTAA) level.

Table 4 confirms that all of the dual-basin and land-locked Latin American countries in our universe pass the hypothesis test (when applying the first indicator of intra-regional trade shares) at the 'subcontinental' level of scale. Paraguay meets the test on all scales (green). Bolivia and Colombia meet the text on all levels, except at the scale of the supercontinent – and, in the case of the Colombia, in both basins (yellow). Finally, Mexico meets the test at the 'sub-continental level in both ocean basins, but not at the continental or super-continental scales (orange).

Table 3. Atlantic and Pacific Basin Countries, Trade with Sub-Continental, Continental and Ocean Basin Regions, 2000-13							
Projection:	Sub-continental		Continental			Ocean Basin	
Country/Region	Mercosur	Andean Community	South America	FTAA	Other*	Atlantic Basin	Pacific Basin
Atlantic Basin Countries ('Atlantic Latin America')							
Argentina							
% share of trade 2013	35		35	33		57	30
% contribution to total Argentine trade growth (00-13)	35		34	45		54	33
Uruguay							
% trade 2013	36		36	46		59	27
% contribution to total Uruguayan trade growth (00-13)	32		31	39		53	30
Brazil							
% share of trade 2013	15		15	33		49	38
% contribution to total Brazilian trade growth (00-13)	15		14	28	27	45	41
Pacific Basin Countries ('Pacific Latin America')							
Chile							
% share of trade 2013	18		18	40		41	51
% contribution to total Chilean trade growth (00-13)	18		16	37		37	55
Peru							
% share of trade 2013	19	7	19	47		45	50
% contribution to total Peruvian trade growth (00-13)	23	7	18	45		43	52
Ecuador							
% share of trade 2013	22	12	22	65	2	42	53
% contribution to total Ecuador trade growth (00-13)	26	12	21	64	–	41	54

Table 4. Dual Basin and Landlocked Countries, Trade with Sub-Continental, Continental and Ocean Basin Regions, 2000-13							
Projection:	Sub-continental		Continental			Ocean Basin	
Country/Region	Mercosur	Andean Community	South America	FTAA	Other*	Atlantic Basin	Pacific Basin
Dual Basin Countries							
Colombia							
% share of trade 2013	15	4	15	57		49	44
% contribution to total Colombia trade growth (00-13)	19	3	13	53		47	45
Mexico							
% share of trade 2013			3	72	67	46	50
% contribution to total Mexican trade growth (00-13)			5	62	54	43	54
Landlocked Countries							
Paraguay							
% share of trade 2013	46		46	54		61	31
% contribution to total Paraguayan trade growth (00-13)	44		44	51		58	33
Bolivia							
% share of trade 2013	58	10	58	72	3	64	33
% contribution to total Bolivia trade growth (00-13)	62	10	60	72	4	64	33

Source: UNCOMTRADE 2014 and own elaboration. Other*: NAFTA (Mexico); Alba (Bolivia, Ecuador)

4.1.1 *Atlantic and Pacific basins*

Atlantic Latin America

Nearly 60% of Argentina's merchandise trade is within the Atlantic Basin, compared to only one third of its trade that takes place with countries of the 'continentally-constructed' Western Hemisphere. Half of Brazil's trade is intra-regional Atlantic Basin trade, while again only one-third – the global 'continental average' – is intra-regional 'continental trade' within a notional FTAA or Western Hemisphere. Even in Uruguay, where this ocean basin gravity is slightly less pronounced, the maritime-centered region of the Atlantic Basin still captures 15 percentage points more of its trade than does 'the continental region' of the Americas.

Pacific Latin America

The overarching pattern in Pacific Latin America –Chile, Peru and Ecuador– with respect to the Pacific Basin parallels that of their Atlantic partners in Latin America with respect to their Atlantic Basin. In all three countries, intra-regional trade shares are higher with the maritime-centered Pacific Basin than with their land-based, 'sub-continental' and 'continental' regions – or (except in the case of Ecuador) even the notional FTAA, which covers the entire Western Hemisphere. Once again, the ocean basin projection successfully passes the test, while the 'continental projection' does not. As a result, the 'ocean basin corollary' becomes more axiomatic.

Nevertheless, there are also some important differences between the Pacific and Atlantic Latin American countries, at least with respect to the intra and inter-regional trade flows on our maps. For example, the former have higher intra-regional trade shares with their (land-based) 'notional' FTAA region than their Atlantic counterparts. On the other hand, the latter have higher intra-regional trade shares with their (land-based) actual 'subcontinental' (Mercosur, Andean Community) and notional 'continental' (South America) regions, than do their Pacific counterparts. Furthermore, the Pacific group's trade with the Atlantic Basin is still higher than the Atlantic countries' trade with the Pacific Basin (although the former is declining in relative, although not absolute, terms, while the latter is increasing). However, these 'differences' are not necessarily revealing, unless they are understood as the kind of 'differences' produced by contrasting our two 'projections' across the flow spaces where they overlap.

Dual Basin Latin America

For both countries, intra-regional trade shares are more or less balanced between their two potential basin regions – as expected, given their dual basin status – although Colombia currently inclines slightly to the Pacific Basin, while Mexico inclines slightly to the Atlantic Basin. Again, for both countries, intra-regional trade shares are higher for both of their basins, simultaneously, than for the current land-based sub-continental regions in Latin America (ie, Mercosur, Andean Community). However, Mexico's intra-regional share is higher for its 'continental' region (NAFTA) than for its basin regions, as is its share within a notional FTAA. Within an FTAA, Colombia's intra-regional share is also higher than its basin shares, only not by nearly as much as in the case of Mexico.

Landlocked Latin America

Both 'land-locked' Paraguay and Bolivia incline heavily to the Atlantic, as opposed to the Pacific, on the ocean basin projection of the regional map. Both countries, despite their 'land-locked' realities, are more connected with the Atlantic than with either the Pacific Basin or their respective land-based regions. Bolivia's intra-regional trade within Alba is only 3%, and only 10% within the Andean Community, but its share within the Atlantic Basin is nearly two-thirds.

4.2 Second Indicator Test

In addition to using three scalable levels of hypothesis testing, we also perform a check by applying the second key indicator – the contribution of ‘intra-regional’ trade to the growth of total trade over the period 2000-2013 – to each sub-continental, continental, super-continental, and ocean basin region for each of the 10 Latin American countries in our study universe. This indicator represents an absolute deepening (or erosion) of a country’s ‘intra-regional’ connectedness with any ‘region’ to which it belongs, or might belong. This indicator is formulated by dividing the total growth in intraregional trade (in absolute terms, over the period 2000-13) by the total growth in a country’s total global trade, over the same period. This indicator reveals the particular region with which a country has recently most deepened (or weakened) its interdependencies.

Double-testing with this indicator is designed to help account for the very different starting levels of the Atlantic Basin (since the end of the 19th century overwhelming dominant, in absolute and relative terms, and in nearly all categories perceived as relevant, compared to other ocean basin-regions), and the Pacific Basin (which, in historical terms, only recently has emerged as a distinct, coherent region, but which in the last decade or so has experienced the strongest growth, both in terms of intra-regional Pacific Basin trade and in terms of inter-regional trade between the Pacific and Atlantic Basins).

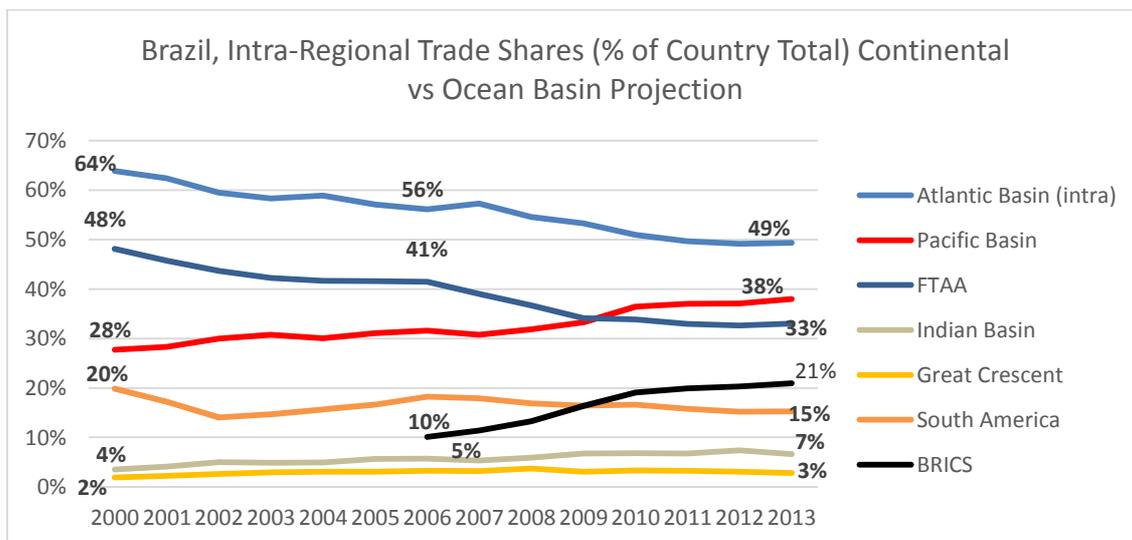
As a rule, the ‘intra-regional’ trade shares of Atlantic Latin America countries, as a percentage of their global country totals, are very high – both at the ‘current’ starting point (2013, the end of our study period) and at our ‘original’ starting point (2000, the beginning of our study period). They are also typically the highest of all Atlantic countries’ regional possibilities. However, they have also typically been declining over the time period of our study (2000-13), while their shares in the Pacific Basin have been rising (at least as a percentage of the total).

4.2.1 Brazil

The cases of Brazil and Argentina – two of the most, if not the most, emblematic countries of ‘Atlantic Latin America’ – if simply because they are the largest and the two which, more than any others, have built, ‘notionalized,’ or aspired to a ‘trade regionalism’ at the sub-continental (‘Southern Atlantic Cone’ Mercosur), continental (‘South America’) *and* super-continental (Pan-American, All-Americas/FTAA) scales – or fought against it in particular form at a particular scale –are illustrated in Figures 4 and 5, respectively.

Of all the ‘intra-regional trade’ shares possible (illustrated in Figure 6, along with ‘extra-regional trade’ with the other ocean basin regions), Brazil’s highest is its intra-regional trade share within the notional/aspirational ‘Atlantic Basin’ region – 49%, or half, of its total trade in 2013. This current Atlantic Basin ‘intra-regional trade’ share for Brazil is 11 percentage points higher than its trade with the ‘Pacific Basin’ region, a gaping 16 percentage points higher than with the ‘notional FTAA’ and a whopping 28 percentage points higher than with the new alternative ‘conceptual region’ into which Brazil has inserted itself, the BRICS. And 34 percentage points higher than with its land-based, aspirational ‘continental’ trade region, ‘South America’.

Figure 4. Brazil, 'Intra-regional' Trade, Continental vs Ocean Basin Projection, 2000-13



Source: UNCOMTRADE 2014 and own elaboration.

However, over time (at least since the beginning of the study period, 2000), Brazil's Atlantic share has fallen by 15 percentage points (from 64% to 49%) while its Pacific share has risen by 10 percentage points. When the increased shares of the Indian Basin and the Great Crescent are factored in, these expanded 'inter-regional' flows more or less mirror the recent decline (in percentage point terms) of Brazil's intra-Atlantic trade over the last decade-plus.

Therefore, it would be easy to jump to the conclusion that Atlantic dynamics are waning for Brazil and that Brazil's trade energies in general, once clearly concentrated in the Atlantic Basin are now being 'diverted' to Asia and the Pacific Basin by the overwhelming gravities of China, thus rendering the Atlantic Basin less and less relevant as a potential region, and reinforcing a mental map which underpins Brazil's intensifying orientation and identification not so much with 'Asia' or the Pacific Basin as with the 'Global South' and the de facto leaders of this 'conceptual regionalism,' the BRICS.

Such a conclusion would be erroneous on several grounds. First, it should be acknowledged that, unless it can be demonstrated otherwise, there is no good reason why Brazil or any other country should not trade more with Asia and identify with the Global South – after all, this can only be considered a foreseen 'catch-up' re-balancing effect of globalization. But that should not be problematic if the Cold War really has been overcome and if we can find a way not to view the Atlantic Basin and the Pacific Basin in competition with each other (an issue we address on further occasions below). Second, the Atlantic continues to contribute more to the growth of Brazil's total trade than does the Pacific. In spite of the impactful emergence of Asia in global trade over the time period of our study, intra-Atlantic trade continues to accumulate more annually than does intra-Pacific trade. 'Atlantic trade flows' continue to feed the Brazilian economy, more than their vaunted Asian counterparts.

Third, Brazil does not yet belong to any preferential trade agreements in either the Atlantic or the Pacific Basin, implying that the growth in both of Brazil's basin trade flows are growing on the basis of expanding demanding, reflecting 'trade creation.' Fourth, the converging trend lines of Brazil's principal ocean basin trade flows could easily widen again in the coming decades. Chinese growth has already slowed, and

can be expected to settle into a lower midterm band around 7% per year (as opposed to 9%-10%). Finally, Brazil's trade with the Pacific Basin is still primarily composed of its raw material exports, the old 'neo-colonial pattern, while its trade with the Atlantic is already much more diversified and farther along the value- added chain (Hamilton, 2015).

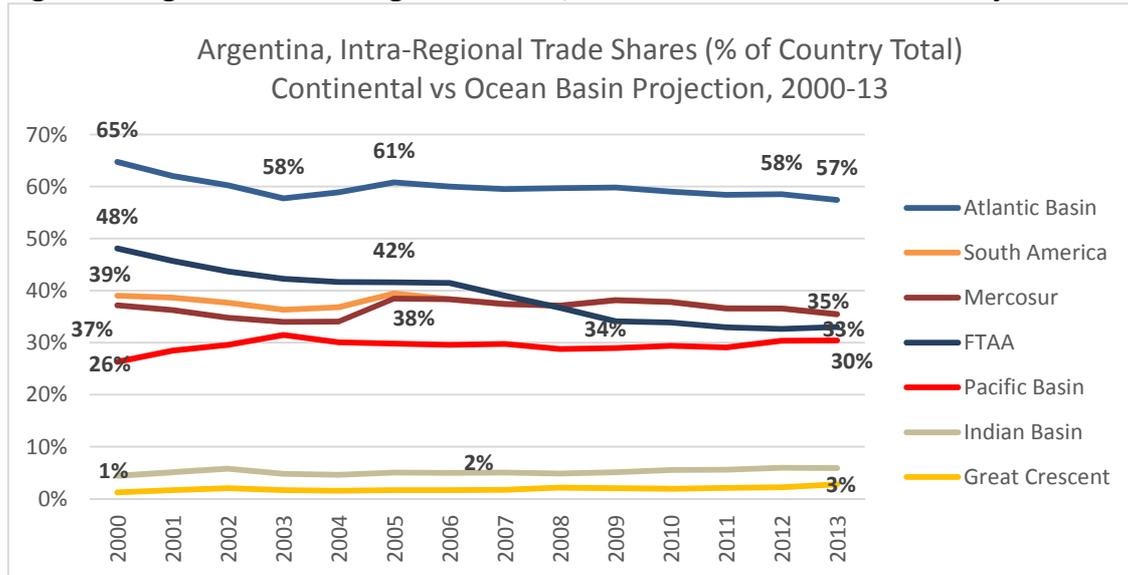
Therefore, the Atlantic Basin remains an attractive space not only for Brazilian trade but also for the strategic trajectory of Brazil's trade regionalisms and inter-regionalisms, particularly given that the economies that are most obviously set to grow the most in the future – as most of them are now – are those of Africa, in the Southern Atlantic. A new strategic trajectory of trade regionalism in the Atlantic Basin could place Brazil on the edge of a number of upward moving curves, including African growth and the development of the 'blue economy' in the Southern Atlantic.

Finally, there is really no 'competition between the basins' for Brazil's trade – or for its regional loyalties or inter-regional trajectories. Brazil's trade with the Pacific could (and should) be considered *either* as 'inter-regional trade (*when* looking in the direction of an Atlantic Basin trade region) *or* 'intra-regional' (*when* looking forward to potential Brazilian membership in a future Pacific Basin trade accord, constructed along open geographic lines). Participating in trade regionalisms in both ocean basins could make as much economic sense for Brazil as the business-as- usual scenario of solely maintaining its 'continental' 'South American' conceptions of trade regionalism. Brazil's intra-regional trade shares within its aspirational and notional land-based continental trade regions have also fallen in line with its Atlantic trade flows (15 percentage points in the Western Hemisphere, and 10 points in South America). In any event, and most importantly, the Atlantic Basin as a whole is still deepening, as its intra-regional trade grows more in absolute terms every year than any other continental or basin region in the world.

4.2.2 Argentina

The Argentine case is very similar to that of Brazil, only all of the recent trends have been less pronounced, even nearly flat. In any case, both Argentina and Brazil, along with all of the other Latin American countries in our study universe, successfully pass the hypothesis test when applying the second indicator (contribution to growth in total trade) *in all the cases and scales in which they also passed the test when applying the first indicator* (current intra-regional trade share of the total) – irrespective or in spite of the direction or slope of the recent trends (over the 13 years of our study, limited by the quantity and quality of the required data). This can be seen in Tables 3 and 4.

Figure 5. Argentina: ‘Intra-regional’ Trade, Continental vs Ocean Basin Projection



Source: UNCOMTRADE 2014 and own elaboration.

In short, a successful second test confirms that intra-regional trade creation (or regional deepening) is taking place for the country and region in question. In the case of Brazil and Argentina, the second test confirms, their rising Pacific trade is not merely diverting their Atlantic trade (see Table 2). Furthermore, in both cases, intra-regional trade continues not only to be created in the Atlantic Basin, in spite of a recent upsurge in Pacific Basin trade, but to be created still in net terms – given that growth is still greater, in absolute terms, in intra-basin Atlantic trade than in inter-basin trade with the Pacific.

5. Conclusion: The Limitations of Land-based Regionalism

The European Union (along with earlier incarnations of Europe) has long served as a crucial benchmark for regionalism within academic, policy and diplomatic circles worldwide (Biswaro 2010). The traditionally high levels of intra-regional economic interaction among the national economies of the European continent, particularly in the trade and monetary spheres, have played a preponderant role in driving some of our current high water marks in transnational cooperation and integration – ie, the European institutions and its common currency, the Euro. These achievements have likewise served as catalysts – and, if not models, then at least as reference horizons – for numerous other attempts at regional cooperation and integration in all of the world’s ‘continental regions’ (as depicted earlier in Figure 1).

Yet, in none of these ‘continents’ and ‘sub-continents’ can regionalism (or regional integration) be considered to have been a clear success –either as regional alternatives to global governance, or as ‘building-blocks’ in its construction (with the exception of the EU, and even there the achievements of the past are in danger). What has not yet been generally acknowledged, however, is that *almost all of the regionalisms which have been heavily influenced by the EU model are also ‘land-based,’ ‘sub-continental’ and/or ‘continental regionalisms.’* Our argument that Europe has been a successful, if endangered, example of a land-based exception to what is increasingly becoming an ocean basin rule – a ‘rule’ now being shaped by a newly

emerging, maritime-centered, post-hegemonic form of regionalism – is corroborated by the very low levels of intra-regional trade in Latin America.

This is not to say that all the maritime-focused, basin-based regionalisms that have more recently developed have been any more successful than their land-based, continental peers. The very necessary attempts of the various ‘Mediterranean Basin’ initiatives have suffered the effects of the very futures they had attempted to avoid on both sides of the basin, and at both of its ends. But this sad exception to the emerging ‘basin rule’ only underlines its potential strategic relevance for other emerging and potentially emerging ocean basin (and sub-basin) regional systems. Furthermore, as an increasing share of global trade links are routed by sea, the densities of the entire web of economic and political interactions between countries around each ocean basin continue to intensify at the relative expense of the land-based connections which historically have bound together traditional land-based continental and sub-continental regions (eg, South America, Mercosur and other sub-continental groups like the Andean Community).

Before the end of the Cold War, these early coalescing ocean basin dynamics could not yet be seen. In part, this was because they were only barely nascent (or nearly all-pervasive, as in the case of the ‘North Atlantic,’ which long dominated all ‘categories’). But this was also true simply because existing Cold War-era international data categories did not easily allow for their identification and analysis. Even the International Maritime Organization, a nearly universally acclaimed global international organization, classifies most of its data either along more abstract economically-focused categorizations or along ‘continental’ regional lines.

However, recall that the most recent ‘age of globalization’ (late 1980s-late 2000s) dawned with the creation of the ‘open regionalism’ of the Asia-Pacific Economic Conference (APEC). This emergence of the Pacific Basin as a concrete regional system, first in trade and then in broader forms of commerce and incipient political cooperation, was an early example of an emerging maritime-centered regionalism on the ocean basin scale – or, put another way, the first expression of the actual ‘geostrategic articulation of globalization’ that has evolved since.

Furthermore, as this ‘age of globalization’ unfolded, the coalescence of the Pacific Basin (deepened by the recent formation of the Pacific Alliance and the current TTP negotiations) was followed by the nascent emergence of other early examples of the new maritime-centered regionalism (like the previously mentioned CARICOM and Mediterranean ‘regions’ along with the Baltic Sea basin region,’ another sub-basin sub-system within the Atlantic Basin). This emerging ‘basin dynamic’ – one of the articulating vectors of the on-going globalization process – was also apparent in the other basins, visible in the formation of the Arctic Council in 1996 and the Indian Ocean Rim Association for Regional Cooperation in 1997. Most recently, the Atlantic Basin Initiative (2014) and the Atlantic Energy Forum (2014) have emerged.

Even within the palpable limitations of our conventional, land-based ‘continental’ projection of the mental/data map, we were well aware – as early as the late 1980s – of the strong turn-of-the-century gravity being exerted by ‘Asia-Pacific’ on global trade. A ‘Pacific Rim’ could at least be perceived through our traditional ‘continental’ framings and projections of the map. But this continental projection cannot readily reveal anything about the dynamics of flows, and their impact on geopolitics and international strategies, which range beyond the terrestrial landmasses and through the sea, to criss-cross the world’s ocean basins.

However, an ocean basin projection is capable of revealing that this Pacific Basin dynamic is not unique, a mere by-product of the 'rise of China.' Despite the strong weight exerted by the historical structural shift in the global economy and trade generated by the emergence and opening of China (and Asia more broadly), the appearance of the 'Pacific Basin' is more than simply a journalistic phrase, penned from a US point of view, that merely re-dresses the idea of the rise of China – a notion disturbing to some. On the contrary, an ocean basin projection reveals that the evolution of the Pacific Basin not as an anecdotal 'exception' of 'globalization' (ie, an unrepeatably accident of history) but rather as a concrete physical expression of the actual, empirical, regional 'basin' articulation of a globalizing world – as opposed to the more abstract globalization dynamic which we perceive through our traditional national, (sub-continental and continental) regional and global data categories.

Indeed, each of the emerging ocean basin regions have initially coalesced around certain dominant initial 'issue tracks' of ocean-basin based regional cooperation: merchandise trade in the Pacific Basin (as in APEC and TTP), energy in the Atlantic Basin (as in the Atlantic Energy Forum of the Atlantic Basin Initiative), security (in its multi-faceted expression) in the South Atlantic (ZOPACAS) and the Indian Ocean Basin (as in the Indian Ocean Rim organization, IOR), and ecological and maritime security in the Arctic (as in the agenda of the Arctic Council). An ocean basin projection might shed light on the potentials (or lack of them) for ocean basin based regional cooperation not only in the Atlantic Basin, but also in the other basin regions, including the Indian Ocean Basin, the Pacific Basin and the Arctic Basin, where new regionalism are in relatively early stages.

Implications for Latin America

As Latin American 'regionalism' – in the form of RTAs – progressed through the 1990s and 2000s, the global attempt to build workable global governance advanced and then retreated. Over this same period of time, this traditional, land-based continental 'regionalism' in Latin America stalled along the 'stepping-stone path' to 'global governance' and got stuck into an unsatisfactory 'second-best' regional cooperation that has yielded few if any concrete economic fruits, certainly not with respect to 'continental' intra-regional trade. Any sober if sympathetic assessment of the track records of MERCOSUR, the Andean Community, and other 'continental' aspirations like a 'South American Community of Nations' would have to at least allow, *prima facie*, for this claim.

Indeed, Latin America's current or aspirational trade accords derive, overwhelmingly, from Latin America's historically land-based, sub-continental (Mercosur, Andean Community) and continental (South America) traditions of regionalism which now suffer from weakening and increasingly eroded regional trade dynamics, indicated by low and declining relative shares of intraregional trade within Latin American country totals. At the same time, new spaces for regionalisms and inter-regionalisms are emerging on both flanks of the Americas where the intraregional trade dynamics, in contrast, are strong and accumulating – from the perspective of both Latin American countries and from that of the Pacific and Atlantic 'ocean basin regions' themselves. Indeed, *Intra-regional interconnectedness (in terms of the density of intra-regional trade) is now higher in the Atlantic and Pacific Basin regions for most Latin American countries than it is in their traditional, land-based groupings.*

This is certainly not to say the landmasses lose all significance (if any in absolute terms) on the evolving trade map; only that the significance of landmasses relative to the sea is declining, and that their dynamics (in terms of flows) are changing, both on the maritime rimlands and in the interior 'continental hinterlands.'

This conclusion has important implications not just Latin America's existing 'continental' regionalisms but also for its historical inter-regional trajectories. The Pacific coast countries of Latin America that have formed the Pacific Alliance now look forward to the TTP and the broadening and deepening of the Pacific Basin. On the other hand, Atlantic countries might reformulate the equations of existing regionalisms and inter-regionalism which extend across the Atlantic space – from the Iberoamerican and Lusophone Communities to the EU-CELAC bi-regionalism (traditional and 'continental' and the nascent post-hegemonic links between Mercosur and the Southern African Development Community (SADC) in the Southern Atlantic. These overlapping experiences to create a new pan-Atlantic region for transnational cooperation.

Both the Pacific and Atlantic Basins present Latin American countries with new maritime-centered forms and geographical expressions of 'open regionalism' and other 'post-hegemonic' approaches to international trade accords which could be more advantageous to pursue, now and in the future, than the traditional, land-based, continental trajectories of the past. Signs of this nascent 'ocean basin regionalism' can be identified in both of Latin America's ocean basins where concrete expressions of it either already exist (APEC), are being articulated (TTP, TTIP), or are now on the horizon (a 'New Atlantic Community' which serves as a flag on the strategic horizon of the 'Atlantic Basin Initiative).

References

- ALCARO, Riccardo and Patrick REILLY. Regional and Interregional interactions in Europe, North America and across the North Atlantic. *ATLANTIC FUTURE Scientific Paper 22*, 2015.
- AMSDEN, Alice. *The Rise of the Rest?: Challenges to the West from Late Industrializing Countries*. New York: Oxford University Press, 2011.
- ATLANTIC BASIN INITIATIVE Eminent Persons Group. *A New Atlantic Community: Generating Growth, Human Development and Security in the Atlantic Hemisphere. A Declaration and Call to Action*, Center for Transatlantic Relations. Johns Hopkins University SAIS. Washington DC. 2012.
- HURRELL, Andrew. Regionalism in theoretical Perspective. In: FAWCETT, L., and HURRELL, A., eds. *Regionalism in World Politics*, 1995, pp. 37-73.
- BISWARO, Joram Mukama. *The Quest for Regional Integration in Africa, Latin America and Beyond in the 21st Century: Experience, Progress and Prospects: Rhetoric versus Reality? A Comparative Study*. Brasilia: Fundacio Alexandre Guimaraes, 2011.
- BORGES DE SOUSA, Joao and Fernando LOBO PEREIRA. On the Future of Ocean Observation. In BORGES GRACA, Pedro and Tiago MARTINS. *O Mar no Futuro de Portugal: Ciencia e Visao Estrategica*. Lisbon: Centro de Estudos Estrategicos do Atlantico. 2014.
- BOTAFOGO GONCALVES, José and Daniel OLIVEIRA. *Desenvolvimento e infraestrutura na America do Sul*. 2011. In PAZ, Leonardo ed. *O CEBRI e as Relacoes Internacionais no Brasil*. Rio de Janeiro: CEBRI, 2013
- ECONOMIST. A continental divide. May 16, 2013, <http://www.economist.com/news/americas/21578056-region-falling-behind-two-alternative-blocks-market-led-pacific-alliance-and>. Accessed May 18 2013.
- HAMILTON, Daniel S. *Atlantic Rising: Changing Commercial Dynamics in the Atlantic Basin*. Washington DC: Center for Transatlantic Relations, Johns Hopkins University-SAIS. 2015
- HOLTHUS, Paul, Xavier DE LA GORCE, and Anne-François de SAINT SALVY. *Fisheries: A Resource in Crisis*. In RICHARDSON, John ed. *The Fractured Ocean: Current Challenges to Maritime Policy in the Wider Atlantic*. German Marshall Fund of the United States and the OCP Foundation: Washington, D.C and Brussels, 2012
- HOLTHUS, Paul. *Marine Natural Resources Extraction*. In RICHARDSON, John ed. *The Fractured Ocean: Current Challenges to Maritime Policy in the Wider Atlantic*. German Marshall Fund of the United States and the OCP Foundation: Washington, D.C and Brussels, 2012
- KALTENTHALER, K., and Frank O. MORA. *Explaining Latin American Economic Integration: The Case of Mercosur*. *Review of International Political Economy*, March 2002, 9 (1), pp. 72–97.

- LAMO DE ESPINOSA, Emilio. Un mundo post-europeo. In LAMO DE ESPINOSA, Emilio ed. Europa después de Europa. Madrid: Academia Europea de Ciencias y Artes. 2010
- PAYNE, A., and Andrew GAMBLE. Introduction: the political economy of regionalism and world order. In: Andrew GAMBLE and PAYNE, A., eds. Regionalism and World Order. London: Macmillan, 1996
- PITTA E CUNHA, Tiago. Marine Ecosystem Services, Ocean Natural Capital and the New Blue Economy for Human Well-being. In BORGES GRACA, Pedro and Tiago MARTINS. O Mar no Futuro de Portugal: Ciencia e Visao Estrategica. Lisbon: Centro de Estudos Estrategicos do Atlantico. 2014.
- SHAW, Timothy M., J. Andrew GRANT and Scarlett CORNELISSEN. Introduction and Overview: The Study of New Regionalism(s) at the Start of the Second Decade of the Twenty-First Century. In The Ashgate Research Companion to Regionalisms, 2010
- SODERBAUM, Frederick, and Luc VAN LANGENHOVE. Introduction: The EU as a global actor and the role of interregionalism. In The EU as a Global Player: The Politics of Interregionalism, 2013.
- STOPFORD, Martin How shipping has changed the world & the social impact of shipping. Global Maritime Environmental Congress. SMM Hamburg, September 7, 2010
- TUSSIE, Diana, and Pia RIGGIROZZI. The Rise of Post-Hegemonic Regionalism in Latin America. In: TUSSIE and RIGGIROZZI, eds. The Rise of Post-Hegemonic Regionalism in Latin America, London: Springer, 2012, pp. 1-18.
- UNCTAD. Multilateralism and Regionalism: The New Interface. In: Multilateralism and Regionalism: The New Interface. UNCTAD/DITC/TNCD/2004/7, 2005.
— World Economic Situation and Prospects. UN: New York, 2012.
- VAN GINKEL, H. and VAN LANGENHOVE, L. Introduction and Context. In: VAN GINKEL, H., Julius COURT and Luk VAN LANGENHOVE, EDS. Integrating Africa : Perspectives on Regional Integration and Development. UNU Press, 2003, pp. 1-9.

ANNEX: The Alternative Regional Mapping Model (ARM)

To produce an ‘ocean basin projection’ of the global geopolitical and geo-economic flow map requires deeper ‘re-cutting’ of the current data to account for a number of geographical realities of the world’s ocean basins. Continental data categories need to be ‘split’ between the ocean basins on their shores. Among other issues, this analytical need raises the question of how to meaningfully reflect – and properly account for, as accurately as possible or necessary – the ‘intra-basin’ and ‘extra-basin’ trade of the ‘dual basin countries’ (ie, those with coastlines on more than one ocean basin, like the US, South Africa or Indonesia), to say nothing of the trade of ‘land-locked’ countries.

To generate such an ‘ocean basin projection’ of the data, we have constructed an ‘alternative regional data mapping model’ (ARM). Even though the issue at hand is Latin American trade regionalism, in order to capture ocean basin regional dynamics – essential for testing the hypothesis – we are forced to map beyond the geographical relief of the ‘continental’ landmasses of the ‘Western Hemisphere’ to embrace all of the world’s ‘continents’ and, by ‘cartographic definition,’ the oceans and seas that connect and rim them. As a result, our alternative regional mapping method, and the model on which it is based, must be global in its inclusion both with respect to geography and with respect to data. Furthermore, we acknowledge the distortions that might arise in this projection if it were to neglect a proper treatment of the ‘dual basin’ issue. However, only on the global scale can we attempt to correct for them, as much as possible at this stage of the projection’s development, and to analyze the implications of our assumptions and their potential relative margins of error.

In addition, because ARM is global in its data reach, *one could map all global flows* into and across any intra-regional (or inter-regional or extra-regional) context, and at any sub-regional, regional, inter-regional or global level. In this way, ARM can help to reveal the new and emerging ‘regional’ and ‘inter-regional’ dynamics which are shaping the actual geostrategic articulation of globalization. At the least, it could be used to test anyone’s developed thesis (however different from the one proposed here).

In this paper, concretely, the ARM model is used to compare the relative regional trade connectedness of a number of representative Latin American countries since 2000, when the full emergence of China into the global trade arena became clear in the wake of its WTO accession at the peak of the post-Cold War globalization era.

Data and Indicators

The basic data used as inputs into the model are national (ie, country level) ‘bilateral’ trade figures (ie, total merchandise trade: export plus imports; merchandise) over the period 2000-2013. This annual bilateral trade data comes from the UNCOMTRADE database. Because UNCOMTRADE’s coverage includes all of the world’s annual bilateral international trade at the country level, it captures nearly all of world trade each year in a way which allows for national level analysis (on both sides of the trade relationship) which can then be scaled up, through an aggregation of national figures (following the appropriate conceptualization and coding), and subsequently ‘mapped’ from (or in relation to) any scale or perspective (ie. sub-regional, regional, continental, basin, global or even the BRICS). To test the proposed hypothesis, this annual trade data is further shaped into the chosen key indicators for determining the relative intensities of regional and inter-regional connections and dynamics from both the country and the continental/basin regional perspectives.

The first key indicator is the share of a country’s total international trade which is considered to be ‘intra-regional’ – that is, trade with another country that is considered to belong to the same ‘region.’ This indicator represents the relative intensity of a

country's international trade interdependence within a defined region (or intraregional trade 'connectedness').¹¹ This indicator is formulated by dividing the level of a country's intraregional trade by the level of its total global trade. What is not 'intra-regional' trade (in relation to any defined region) is considered to be 'extra-regional' trade with the rest of the world – that is, trade with countries outside the defined region. 'Inter-regional' trade – a sub-set of 'extra-regional' trade – is considered to be trade outside the defined region with another defined region.

The second key indicator is the contribution of 'intra-regional' trade to the growth of a country's (or a continental/ocean basin-region's) total trade over the period 2000-2013. This indicator represents an absolute deepening (or erosion) of a country's 'intra-regional' connectedness with any 'region' to which it belongs, or might belong. This indicator is formulated by dividing the total growth in intraregional trade (in absolute terms, over the period 2000-13) by the total growth in a country's total global trade, over the same period. This indicator reveals the particular region with which a country has recently most deepened (or weakened) its interdependences.

¹¹ Trade itself serves as a broad yet representative proxy for international economic and social interdependence or 'connectedness.' Fair enough but why?