Latin America in/and the AIIB: A Constructivist Analysis

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Abstract. This research focuses on the relationship between Latin America and China. The authors try to answer the question of why the countries of the region have been passive in the context of their interaction with the Asian Infrastructure Investment Bank (AIIB). The relevance of the topic stems from the gradual increase in China’s importance and presence in the Latin American region. Today, China is one of the key economic partners of several Latin American countries. To date, however, countries in the region have not been very active in their engagement with the AIIB, despite the existence of specific material incentives. Methodologically, the study is based on a constructivist approach. According to the authors, alternative paradigms of international relations, such as liberalism and realism, fail to explain the paradox of stubborn inaction by the countries of the region. This is due to the fact that the historically rooted and culturally bound procedural nature of international relations allows constructivism to uncover the individual facts that led to this result. The authors conclude that governments in the Latin American region have “constructed” between themselves quite a few customary modes of behaviour which debilitate their demonstrated capacity for agency in international affairs. This has created a vacuum of effective strategy in relations with China in the region. Moreover, this pattern of engagement is not limited to China and is evident in the relations of regional countries with the US and other extra-regional powers.

Key words: Latin America, agency, constructivism, United States, China


Латинская Америка и Азиатский банк инфраструктурных инвестиций: конструктивистский анализ

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Аннотация. Рассматриваются взаимоотношения между Латинской Америкой и Китаем. Авторы пытаются ответить на вопрос, почему страны региона проявляют пассивность в контексте их взаимодействия с таким проектом, как Азиатский банк инфраструктурных инвестиций (АБИИ). Актуальность темы обусловлена постепенным ростом значимости и присутствия Китая в Латиноамериканском регионе. Китай является
одним из ключевых экономических партнеров ряда латиноамериканских стран. Однако страны региона не проявляют особой активности в своем взаимодействии с АБИИ, несмотря на наличие конкретных материальных стимулов. Методологически исследование базируется на использовании конструктивистского подхода. По мнению авторов, альтернативные парадигмы международных отношений, такие как либерализм и реализм, не в состоянии объяснить парадокс упорного бездействия латиноамериканских стран. Это объясняется тем, что исторически укоренившийся и культурно связанный процессуальный характер международных отношений позволяет конструктивизму раскрыть отдельные факты, которые привели к подобному результату. Авторы приходят к выводу, что правительства латиноамериканских стран «сконструировали» между собой довольно много привычных моделей поведения, которые ослабляют их способность к агентности в международных делах. В результате образовался вакуум эффективной стратегии в отношениях с Китаем в регионе. Более того, такая модель взаимодействия не ограничивается только Китаем и проявляется в отношениях стран региона с США и другими внерегиональными державами.

**Ключевые слова:** Латинская Америка, агентность, конструктивизм, США, Китай


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**Introduction**

The classical schools of thought in international relations look foremost and sometimes exclusively to the external material world for the causes of how states act in foreign affairs, and why (Lantis & Beasley, 2018; Waltz, 1979). This one-sided view of the world, which leaves the invisibles and intangibles of human consciousness out of account, has been called by Arnold Wolfers the “billiard balls” model, in that “every state represents a closed, impermeable, and sovereign unit, completely separated from all other states” (Wolfers, 1962, p. 19). Such a model, however, leaves unaccountable the paradox of behaviours like LAC’s (Latin American and Caribbean) non-engagement with the Asian Infrastructure Investment Bank (AIIB), despite the many material incentives it has to engage. We need to understand better what is happening inside “black box” of the billiard ball, and how an invisible hand or “agent [is] moving the balls around the table” (Houghton, 2018, p. 224). This entails investigating agency and its immaterial determinants, the “role of ideas, norms, knowledge, culture, and argument in politics, stressing... the role of collectively held or ‘intersubjective’ ideas and understandings on social life” (Finnemore & Sikkink, 2001, p. 392).

Mental factors prove indispensable for comparing the different (or similar) foreign policy actions or inactions of groups of countries that possess similar (or different) material endowments, when the latter are exposed as inconclusive or insufficiently explanatory. Such are the prospective members of the AIIB belonging to LAC region.¹ But using constructivism, researchers get to “go inside states, [and observe] the societal-level normative and ideational forces” which shape foreign policy (Kaarbo, 2015, p. 199; Katzenstein, Keohane & Krasner, 1999). Constructivism cracks open the black box to give us a peek into the invisible causal nexus inside. In this study our task shall be to look through the constructivist prism to understand the relations between countries in Latin America and the AIIB, in particular the apparent inability or unwillingness to pay-in petty sums of capital in most cases, to fulfil their pledges to the AIIB despite how vital functional membership may be to remedy one of the region’s worst defects — the

¹ At the time of publication, six countries from LAC have completed their AIIB full membership: Ecuador, Uruguay, Brazil, Argentina, Chile and Peru. Only Ecuador and Uruguay did so in a timely fashion. Venezuela and Bolivia have been prospective members since 2017 and have shown little progress in completing their membership.
dearth of infrastructural connectivity (Mendez & Turzi, 2020).

**Foundations of Constructivism**

The significance of constructivist processes in foreign policy was first noted by Robert Keohane, who at first called it the “reflective approach” (Keohane, 1988, p. 379). Mainstream readings tend to assume that the paradigm does not rise to the dignity of a theory but is only a method of research (Checkel, 1998, p. 325), an “approach”; — an “empty vessel that merely specifies a social ontology without... specifying which social relationships it is concerned with” (Flockhart, 2016, p. 81). It is beyond the scope of this work to debate whether constructivism is a proper IR theory or not. Just as a method it offers unrivalled advantages, making it possible “to theorize about matters that seem to be unrelated because the concepts and propositions normally used to talk about such matters are also unrelated” (Onuf, 1998, p. 58).

Constructivism has been in use for decades as an analytic framework alternative to the established paradigms of International Relations. Despite its proliferation in the literature, in its abstraction it is inaccessible to “many scholars and students [who] find it difficult to grapple with” (Houghton, 2018, p. 225). The following five core assumptions of constructivism are offered as a way to simplify the concept by reducing it to its elements, which are ideas, identity, agency, social facts, and self-fulfilment. To further aid comprehension, these elements have been arranged in “causative order”; that is, ideas form the matrix from which identity springs. Identity is a special class of ideas which condition agency. Agency in turn, especially collective agency, but sometimes also individual if it is creative or entrepreneurial, yields social or “institutional” facts. These facts are consolidated or “locked-in” by their self-fulfilling effects on behaviour. The reader should note well that Agency, the constructivist keystone, stands at the centre of this scheme, binding it together. It follows that ideas and identity are the “inputs” to agency, while social facts and their self-fulfillingness are its “outputs.”

**Five Core Constructivist Assumptions**

*First: “Ideas matter”*

The first and probably most primordial assumption shared by constructivists is that ideas are fundamental causes of actions and events. Ideas are will-o’-the-wisps that are easily discounted as uncountable, immeasurable; nevertheless, although “[f]orce may be how international affairs are waged; ideas are why. Consequently, any study of international affairs must start with a study of ideas” (Brands, 2003, p. 1; Graebner, 1964). Ideas are beliefs held by agents, and beliefs make up their motives and the rules of thumb for action. This world of ideas is “critically important, as they construct (constitute) both identities and interests — hence the constructivist slogan ‘ideas matter’ — and within this emphasis there is a particular focus on collective ideas and norms” (Houghton, 2007, p. 29). One may say, ideas are the “floorplan” out of which reality is socially constructed; subject, however, to the limits imposed on human reality by the “timber” of brute facts.

The conjecture that ideas matter in foreign policy-making and international relations was first broached by Goldstein and Keohane (1993b). But this is rooted in earlier work evaluating the belief systems of individual agents (Bronfenbrenner, 1961; Holsti, 1962; Osgood, 1966; Holsti, 1967; Finlay, Holsti & Fagen, 1967; Stoessinger, 1967; Gamson & Modigliani, 1971). Some scholars argue that “belief systems are ‘ideas’… and therefore the question has never been whether ideas ‘matter,’ but rather... whose ideas [matter]” (Sullivan, 2001, p. 31).
Constructivists have noted that, for better or worse, elites in both the private and public sectors are the most important, maybe the only important actors. The ideas they are prepossessed-of are the ones to shape how the communities they lead will act in the international system. To explain their conduct of foreign affairs, it is necessary to investigate what they believe (Grieco, Ikenberry & Mastanduno, 2015, p. 93). Ideas serve two political purposes: first, as “hooks: competing elites seize on popular ideas to propagate and to legitimize their interests, but the ideas themselves do not play a causal role” (Goldstein & Keohane, 1993a, p. 4; Berger & Luckmann, 1967). As hooks, popular ideas are expropriated “to justify actions that were motivated by considerations of wealth and power, not by visions of justice and truth” (Krasner, 1993, p. 257). But the flip side and second purpose ideas can serve is to “often exert major [presumably legitimate] impact on policy” (Goldstein & Keohane, 1993a, p. 26; Sikkink, 1993).

“Ideas Matter” in Latin America

The relevance of this constructivist assumption in Latin America is particularly important as the elites are certainly the group leading the foreign policy making process (FPMP). The two political purposes of ideas identified by Goldstein and Keohane (1993a) have been documented in the literature and can also be observed in the behaviour of policymakers throughout the region. As hooks ideas are used by “Latin American political elites [who have not been] eager to extend rights and liberties to all their fellow citizens, or even most of them” (Weeks, 2015, p. 21); they then become instruments “to maintain [elites’] dominance within societies” (Best, 2008, p. 53). This is not a new development and goes back to the beginning of these republics when the independence leaders, or founding fathers of the region such as Bolivar, San Martin, and O’Higgins, produced constitutions that were democratic in theory, but elitist and authoritarian in practice. Most of these constitutions “had the familiar three-part division of powers, but [they] gave vast authority to the executive, carefully circumscribed the powers of congress and courts, and enshrined corporate privilege in the only groups deemed capable of governing and holding society together” (Wiarda, 1995, p. 178).

The second purpose of ideas, as argued by Goldstein and Keohane, finds equal resonance in Latin America, where elites have undue influence over the FPMP, particularly the business elites. As a result, in Latin America “elite ideas matter,” and these are “more likely to become entrenched in sectors of great interest for business elites” (Dargent, 2015, p. 32), which end up capturing the foreign policy process in the region and advancing elite interests. This idea stems from the capture theory that public agency is “beholden to those interests in [sic] which they have been created to regulate.”

Second:
“Identity Matters”

The second shared constructivist assumption is that identity matters — whatever identity may be. No consensus has ever been found amongst scholars on what identity is and how it affects foreign policy (Vucetic, 2018). We can know some things about it: it emerges from the world of ideas, in particular, those which agents have about themselves. Ideas (or even identities) held by “groups and states are not given or set in stone... [but] shaped by the [prior] identities of the actors” (Grieco, Ikenberry & Mastanduno 2015, p. 93), in the manner of feedback. “[L]identities are molded by a variety of ideational factors —
culture, religion, science, and normative beliefs” (Grieco, Ikenberry & Mastanduno, 2015, p. 93).

This implies that identities are ideas carried over from the past which may or may not be altered by the new ideas of creative agents like norm entrepreneurs. One might venture to say that identity is a subset of ideas, that is, although all identities are ideas, not all ideas are identities. These kinds of ideas constitute the self-image of persons, whether it is natural persons or international persons. According to Wendt, it is what an agent or “actor [should wish to] attribute[s] to itself while taking the perspective of others, that is, as a [idealised] social object” (Wendt, 1994, p. 385), with the end-up that “identity matters because it facilitates collective action against outsiders” (Wendt, 1999, p. 293), who do not share in, and may even be inimical to our (ideal) self. This can have far-reaching effects in international relations.

In particular, the material forces that other schools of thought think so important actually have no intrinsic meaning, constructivism reveals, because their intersubjective, socially created meaning rests on the ideas that “alchemically wed” to form identity. The nuclear weapons of France and Great Britain are fundamentally different for Americans than Chinese, Russian, or Pakistani ones (Wendt, 1992). The devices themselves, as brute facts, are nearly the same, but the identity that Americans and Britons have constructed for each other render British weapons unthreatening, unlike Chinese. “National identity, in this case and others, helps to construct the meanings attached to purely material factors” (Houghton, 2018, p. 227).

“Identity Matters” in Latin America

Perhaps due to many ideational similarities amongst the nations of the region complicating the establishment of anything distinctive, the Latin American state invests itself deeply in constructing and sustaining a national identity. They “organize the nation’s space-time, providing a narrative of historical continuity for the national territory and points in time and space for the remembrance of key moments of that narrative” (Radcliffe & Westwood, 1996, p. 171). This is especially an elite project. Those who command the major institutions hold together the “power container” (Zhang Xin, 2017, p. 332) of the nation-state and its proper territory by deploying ideology, culture, and history to forge a common hegemonic order of stories, images, symbols, and values selected to constitute one identity for the many people with many identities (such as family, religious, “guild,” and racial identities) who make up one nation, but who could have made up several or none. National identity is an instrumentality for creating sovereign power at home and abroad. It is a discourse capable of mobilizing or demobilizing socio-political groups. “It is a modern [i.e. post-mediaeval] political instrument, which provides a way of coordinating and uniting diverse interests, values, and aims, thus offering the possibility of mobilization across lines of other identities” (Lambert, 2006, p. 21). Any identity that works has ipso facto got something going for it.

Third: Agency is Key, Especially Creative Agency (a.k.a. Entrepreneurship)

The assumption shared by most accounts of Constructivism is that the keystone of its theory and method is agency. Wendt epitomises the school of the all-dispositiveness of Constructivist agency with his byword, “Anarchy is what states make of it” (Wendt, 1992, p. 391). Constructivists hold to agency in the teeth of the concept’s essentially contested meaning: “Actors and agents are treated synonymously and attributions of agency can change, not only within theories, but also within the space of a sentence. Rarely is it clear what agency is, what it means to exercise agency, or who and what might do so” (Wight, 2006, p. 178).
Agency is whatever ability people and institutions have to act autonomously at least in the sense of taking initiatives. Agency is circumscribed by the societies that agents both individuals and collective are embedded in, which precondition and therefore limit “what they [even] imagine they would like to do. For the same reason, much of what we think of as agency consists of desires and behaviour that are socially induced” and reinforced (Lebow, 2016, pp. 146—147). In simpler, rough and ready terms agency is the human “ability to think, act, and make choices independently” (Giddens et al., 2017, p. 46). Giddens (1985) elaborates that agency is a peculiar mode of political power in so far as it implies ‘transformative capacity,’ the capability to intervene in a given set of events so as in some way to alter them” (Giddens, 1985, p. 7) which, one may surmise, arises from the peculiar human capacity for self-consciousness and self-referentiality.

Other sophisticated attempts at definition abound: it is “the temporally constructed engagement by actors of different structural environments — the temporal relational contexts of action — which, through the interplay of habit, imagination, and judgment, both reproduces and transforms those structures in interactive response to the problems posed by changing historical situations” (Emirbayer & Mische, 1998, p. 963), a mirror of agency that “catches it in the act” of its essential two-edged nature as social construction, that it reproduces and replaces prior constructs ceaselessly and “automatically.” To sum up, “human beings matter because it is they who fashion — and have the capacity to change — social reality” (Houghton, 2007, p. 28). In the interaction of agency and structure (i.e. prior agency), the “act of construction, the co-constitution of people and society, makes [foreign policy]” (Giddens, 1997; Onuf, 1989, p. 42). This implies that what “small states lack in structural clout they [may be able to] make up through creative agency” (Cooper & Shaw, 2009, p. 2).

Creative Agency in Latin America

Latin America and the Caribbean’s proximity to the Colossus of the North can mislead analysts to conclude that the region lacks politically significant agency. For sure, the agency of LAC states is circumscribed by US systemic power, but systems are not plenums, and agency springs eternal in the “cracks” or flaws that exist in hegemonic agency too. What LAC states lack in structural power they may make up with entrepreneurial agency (Mendez, 2017). Whether entrepreneurial or not, the region’s increasingly autonomous relations with Beijing of late is notable; for instance, Panama appears to be breaking its traditional dependency on the US in favour of a distinctly entrepreneurial approach, at least for now, to developing a commercial if not also strategic relationship with the People’s Republic of China. Relevant here is also the interaction with the AIIB by some of the countries of the region, which defied US efforts to prevent allies to become members of the development bank arguing that the AIIB would undercut established standards on human rights, accountable procurement, and environmental sustainability. Agency in the region has been successful mostly for short-term projects, not so much for long-term ones. An important exception has been a certain influence that some countries in Latin America have exerted in the wider world through “norm entrepreneurship,” a special type of agency that convinces “a critical mass of states (norm leaders) to embrace new norms” (Finnemore & Sikkink, 1998, p. 895), especially “in crafting new jurisprudence and establishing new human rights practices” (Sikkink, 2015, p. 356). Such agents are also known inside

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multilateral organisations as “international rule innovators” (Dominguez, 2007, p. 85), who demonstrate “transformative capacity in leading new processes of cooperation and sectoral integration” (Riggirozzi & Tussie, 2017, p. 17).

Fourth: Brute vs. Institutional Facts

A fourth assumption of constructivism is “the critical distinction between ‘brute’ (or natural) and ‘institutional’ (or social) facts” (Houghton, 2018, p. 226). This originated with Searle (1995), who “baptized some of the facts dependent on human agreement as ‘institutional facts,’ in contrast to noninstitutional, or ‘brute,’ facts. Institutional facts are so called because they require human institutions for their existence. Brute facts require no human institutions for their existence” (Searle, 1995, p. 2). Brute facts are the “givens” (the data) that any theory has to analyse (Kratochwil, 1989), because the data “do not depend upon our ideational beliefs or perceptions for their existence” (Houghton, 2007, p. 28).

Gravity is a brute fact. We may jump from the top floor of the Shard in London believing that gravity is socially constructed and so may be reconstructed, but we will splat on the pavement regardless. By contrast, most political issues are invented notions that begin and end with some agents choosing to begin or end them (or acquiescing, consciously or not, in others’ choices). For example, on 8 December 1991, the Soviet Union ceased to exist as an international person by the agency of three natural persons (with massive and necessary social support of course), — Boris Yeltsin, Leonid Kravchuk and Stanislav Shushkevich who announced their decision to simply dissolve it.¹ Unlike brute facts, institutional facts are ideas that are taken for granted because already conceived, elaborated and self-fulfillingly settled… until they are not settled. It might be said that these facts have become “etched in wax, but not in stone.”

Brute vs. Institutional Facts in Latin America

Altitude is one brute fact that many in Latin America must live with. If you fly to La Paz in Bolivia you will be landing in one of the highest cities in the world, situated “at an average elevation of 12,000 feet (3658 meters) above sea level” (Penn, 2001, p. 133). Prepare yourself as much as you please, you will feel a shortness of breath on arrival (though it is likely to be resolved within hours), but you will still be 12,000 feet above sea level. Bilateral relations between countries in the region, on the other hand, at whatever elevation are “socially constructed” institutional facts (Merke, 2016, p. 94). For instance, Argentina and Brazil constructed perpetual peace between themselves in lieu of their traditional enmity by giving each other “proofs of engagement [which] taken together helped to construct a common frame of revised values that accumulated in the form of political friendship” (Oelsner & Vion, 2011, p. 143). Looking at the case of Chile and Bolivia, the social reality is wholly different: a difficult bilateral relation defined by a mutually perpetual “culture of rivalry” (Kacowicz, 1998; Wehner, 2010, p. 5).

Fifth: Institutional Facts are Self-fulfilling or Self-negating

Nowadays it is generally understood that many social or institutional facts are self-fulfilling (if not self-negating). For example, why does anybody stop at traffic lights or accept paper money? Mere lanterns have no restraining power and mere paper banknotes

are intrinsically worthless. One does not stop at a green light because one expects cross-traffic drivers will stop, and those drivers expect you will continue on, with the net result that the shared expectations are mutually self-fulfilling. Likewise with paper money: each pays the other with scraps of paper, expecting the other to accept, and each accepter expects the next payee will accept, and so it goes. However, the realisation that social facts are self-fulfilling, as obvious as it may seem now, never happened until it arose in the context of spotting errors in positivist empiricism in the social sciences, which had at first assumed that social facts were as “objective” as brute facts (Houghton, 2009). The precept was found out by experiment that you must give up the assumption that you are external to the world of the social facts you are investigating, lest your theory become a “self-fulfilling (or self-negating) prophecy,” viz. prediction. It was Robert Merton who broached the problématique, calling it “a false definition of the situation evoking a new behavior which makes the originally false conception comes true” (Merton, 1948, p. 195, emphasis added). From reflecting on this paradox, it was realised that our conceptualisations of “reality have self-fulfilling potency. Theories can be realized in history” (Berger & Luckmann, 1967, p. 145), if only practitioners come to expect each other to act in accord with the conceptions of a famous academic authority. This structure-altering potential intrinsic to social facts means that mere theories have “constitutive or creative potential” (Houghton, 2009, p. 553).

Andre Kukla (1994) was the pioneer elaborating how autogenetic beliefs are “born reciprocal,” as if always already assumed between multiple persons who interact with a social determinativeness. Even bandwagoning in international relations bears hallmarks of being born reciprocal. In Wendt’s view, all culture consists of self-fulfilling social predictions — which incidentally is some evidence that “culture” spans all five Constructivist assumptions, — made by “actors act[ing] on the basis of shared expectations, [which] tends to reproduce those expectations” (Wendt, 1999, p. 42).

Self-fulfilling or Self-negating Institutional Facts in Latin America

Latin Americans have socially constructed between themselves a culture of distrust, autarky, and uncooperativeness which is self-fulfilling to the extent that Latin American leaders imagine it true of other Latin American leaders — at best, if they are not guilty of it, too, — and proceed to act in ways that are mutually suspicious, and end up being antagonistic, autarkic, and uncooperative; if not outright internecine. Once these perceptions are ingrained in the region’s political culture, they become very difficult to undo, as they should have to change for everybody at the same time. The assumption that other heads of state and other nations of the region cannot be counted on to cooperate and “have your back,” because it is a mutual assumption, causes the lack of cooperation to get worse, perpetually reinforcing it (Edelstein, 2012).

Latin American Agency: General Characteristics

The Institution of Mañana

Deborah Gerner defines foreign policy as a three stage process: the “intentions, statements, and actions of an actor — often, but not always, a state — directed toward the external world” (Gerner, 1995, p. 18). A pervasive tendency in Latin America is to engage intensely in imagining and wishing intentions, and making grand statements, while putting off the last, most important phase of action until mañana (“tomorrow”). The uniform neglect of the simple steps it would take to complete their memberships by LAC’s prospective members of the AIIB (except Uruguay at this stage who just became a
prospective member in April 2019\textsuperscript{5}) is typical. This focus on the intentions and statements of the FPMP has to do with the fact that throughout the region there is a persistent tendency to simply act in the short term for the benefit of those in office, thereby neglecting strategic long-term planning that may not prove gratifying for those who hold power during short-term political cycles. So pervasive throughout the region is the tendency to postpone the acid test of action — and to adjourn intentions and statements (the phases of the policy process prior to action) endlessly, to evade coming to the end of the process and being confronted, once these preliminaries are over, with the imperative to act, — that the inference of an informal social institution springs to mind at once. It would contribute to the understanding of foreign policy in LAC to give this pattern a name. Let it be the Institution of “Mañana.”

The existence of such an Institution is not an idiosyncratic inference of the authors but rests on an empirical basis. An Organisation for Economic Co-operation and Development (OECD) functionary has made similar observations in the presence of one of the authors: “They [foreign ministry personnel of a Latin American country] come here to the OECD, make all sorts of commitments, sign all sorts of things, then go back home and never execute anything.”\textsuperscript{6} This pattern is hardly confined to international relations; it is pervasive even in business, where inefficiency should be far costlier than in IR. There it has been termed the Mañana Syndrome (Garcia & Mendez, 2020), which has been observed to pervade the business culture of certain Latin American countries (Jessup & Jessup, 1993), and to slow down the process of reaching business decisions throughout the region (Grosse, 1990). It is not pretended that this institutional fact is absolute — some Latin American companies are managed exceptionally well by any standard (Stephens & Greer, 1995), — merely that it is a very common, culturally distinctive social norm that has direct and observable effects on the conduct of foreign affairs in Latin America and the Caribbean. Its reality is corroborated by the number of scholars who have theorised its origin. Some say it is rooted historically in the Moorish culture of Andalucia (Lewis, 2003); others say it arises from a (lack of) internalisation of the work ethic: “In cultures where external locus of control operates, people tend to postpone decisions more (‘mañana syndrome’) than in cultures where internal locus of control operates” (de Mooij, 2011, p. 252). Still others place its origin in prior cultural factors such as pedagogy (Leidner et al., 1997; Kras, 1995); different conceptions of time (de la Vega & Callado, 2002; Raat & Brescia, 2010; Huntington, 2004b); or religion, \textit{inter alia} (Huntington, 2004a). It has even been described by outsiders as \textit{infectious} (Martin, 2014), yet also a source of conflict with peoples from other regions of the world (Hurn & Tomalin, 2013).

\textbf{Fantasy Agency (or Incomplete Agency)}

It makes sense that hand in hand with the Institution of Mañana goes a syndrome that one might call Fantasy Agency, because it is a substitute for dealing with the real world of Hoy (Mendez & Turzi, 2020; Mendez, 2019). The creation of appearances of reality becomes more important than reality itself. Latin Americans may tend to connive with each other in this by avoiding, for example, checking each other’s academic degrees. Education abroad is highly prestigious in the region, and it is common to pretend a greater breadth of education than one really has, because it is harder to catch out. To take a very


\textsuperscript{6} Personal communication of one of the authors with unnamed source at the OECD.}
typical example, Iván Duque, during his campaign to be elected President of Colombia in 2018, claimed on his CV that he had a degree from Harvard, the famed Ivy League university, but “although he was accepted on one of its programmes [Harvard officials said] ‘he did not complete it as he withdrew.’ His only Harvard studies, it turned out, were two five-day courses... [only then he] amended his CV.”7 Likewise, in 2018 in Peru a scandal erupted when the press revealed that five legislators — Moisés Mamani, Betty Ananculi, Esther Saavedra, Yesenia Ponce and Maritza Garcia — had lied about having completed secondary school, yet none was investigated by the Legislature.8 In 2005 Sebastian Piñera, despite holding a PhD form Harvard, stretched the truth by claiming he had graduated with “maximum honors” (a non-existent qualification of Harvard degrees), and he flat-out made up that he had taught a course there (Daza & del Solar, 2017). Even former Argentine president Cristina Fernandez de Kirchner was the victim of a ten-year long controversy over her law degree.9 In that case, even though she had completed the degree, Fantasy Agency operated to falsify what was factually true.10

But the substitution of appearance for reality is in no way confined to persons in public life, who may sometimes be exposed; it deeply corrupts policy as well. Where else could a government get away with pretending to “develop” its Pacific coast, when in fact it is reputed too dangerous to go there to see it for oneself! In August 2014 one of the authors was treated to an official presentation in Cali in re the coast that claimed a brand-new superhighway ran from Cali to Colombia’s only significant Pacific port (Buenaventura); when in fact, he had just returned from a journey on that very road, where he saw for himself that not only was it old, but in such disrepair that the coach had to snake around the potholes. The new highway was a daydream bespoke for the consumption of outsiders. In fairness it cannot be gainsaid that recently new construction has shown up here and there along the way. Fantasy Agency does not absolutely preclude action, but it does procrastinate it unconscionably long.

Fantasy Agency may therefore be said to be the default mode of foreign policy in LAC, a condition that exceptional persons must have surmounted whenever any real agency comes out of the region. Such persons exist everywhere (although elsewhere they appear to be less relied on) and have been termed “political entrepreneurs,” a word originally coined by Robert Dahl, who defined it in terms of *homo politicus* as having “the skill and drive [to mobilize] a small amount of initial resources into a sizable political holding” (Dahl, 1961, p. 227). As applied concerning the AIIB in the context of international relations, we adopt the definition of political entrepreneurs as “individuals whose creative acts have transformative effects on politics, policies, or institutions” (Sheingate, 2003, p. 185), and who can “re-frame identity issues within a specific institutional context so to embark on dramatic foreign policy shifts provid[ing] a theoretically eclectic treatment of foreign policy change which reasserts the role of agency” (Alden & Aran, 2017, p. 14; Barnett, 1999). It is the kind of exceptionalism that is not lacking in the history of LAC foreign

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7 Duque Readies to Become Colombia’s Youngest President // Financial Times. June 11, 2018. URL: https://www.ft.com/content/097800e2-6d03-11e8-852d-d8b934f3f5fa (accessed: 05.06.2022).
10 Para la Justicia no hay dudas: Cristina Kirchner es abogada // Infobae. 06.11.2014. URL: https://www.infobae.com/2014/11/06/1606860-la-justicia-no-hay-dudas-cristina-kirchner-es-abogada/ (accessed: 05.06.2022).
Overreliance on Legalism

Latin American creative agency is noted for “crafting new jurisprudence” (Sikkink, 2015, p. 356) of global impact. Permeating the foreign affairs sphere is “the idea and perception that foreign policy… is essentially a legal or economic matter more than a political or military one” (Sotomayor, 2015, p. 50). Foreign policy making is dominated by lawyers who over rely on the letter of public international law, a cultural norm acquired when foreign affairs were embedded in the transactions of the Spanish and Portuguese Empires, and the only way a person could “count” as anything like a peer of the realm was through earning “doctorates in civil or canon law, and [thus] until recently most foreign ministers and career diplomats held law degrees” (Holsti, 1996, pp. 170—171), a tradition alive today, so the authors surmised and the literature confirms. Lawyers (sometimes economists) are everywhere “in charge of supervising and implementing foreign policies” (Sotomayor, 2015, p. 49).

This legalistic pattern of foreign policy making in Latin America is another instance and a special case of Fantasy Agency; it is a cultural norm by which Latin Americans imagine they gain honour and status by “Following the Law.” The criollo elites believe it is in their “national interest to follow the law because it enhances [their] reputation… Legalism is the intellectual milieu in which policy is often made” (Holsti, 1996, p. 170). Policy makers are even observed (in the AIIB case as in others) to ignore incentives to take strategic action, because of an ingrained presumption that legal gestures and principled statements make things happen in the real world. Latin Americans know they need infrastructure but are unrealistic about affordability. Loans from the AIIB as from any other bank, public or private, must be repaid with compound interest, after the effort of constructing the Bank’s “presence” in the LAC region and the hypothetical feasibility of its opportunities (not guarantees) is sunk. But relations with the AIIB are deemed finished as soon as its legal form is inked in.

Incomplete or Fantasy Agency, dwelling on a legalist plane, has a negative impact on the execution of policy by severing foreign policy intentions and statements from action, thus relegating the latter to mañana and reinforcing its Institution. Herein may lie the genesis of that “rule” in favour of forbearing lax implementation, derogating from the classical precept of international law, pacta sunt servanda, — which, however, usefully allows cooperation to co-exist with conflict (Vermeer-Künzli, 2009). The Fantasy Agency perception that no consequences ensue for laxity or neglect of servanda becomes a self-fulfilling prophecy in the LAC region, in classic Constructivist fashion, with the potential to spill over into international law. Forbearance of non-performance has been characteristic of LAC since the 19th century, with a few academics having identified it as such (Dominguez, 2007; Standish & Bell, 2004; Toranzo Roca, 1992). But it is a double-edged sword which undercuts Latin American agency as often as it helps it muddle through. The fizzle of the AIIB in LAC is just the latest instance of this unwritten customary law.

Personalism

The net result of the foregoing cultural influences on LAC is a penchant for personalism in politics. Despite seeming a “museum” that exhibits every form of government known to man, “there are… features of Latin American political culture and its social structure… visible in just about all types of regimes in the region [e.g.] a tendency toward personalism in leadership styles and relationships of power” (Hellinger, 2014, pp. 35—36). Latin American culture is
distinct, identifiable and influential in politics: “[f]or many observers of international politics, Latin America has become synonymous with *caudillaje* culture that is said to span the length and breadth of the continent” (Ebel, Taras & Cochrane, 1991, p. 5).

One main trait of Latin American personalism that deeply impresses the way both government and businesses there are run is “the extensive networks of personal relationships. Family and personal friendships are among the greatest values of all the Latin American people” (Feldmann, 2014, p. 34). To manage large-scale enterprises to benefit friends and family is fraught with systemic risks and considered elsewhere in the world as a disqualifying conflict of interest. It conduces to a “lack of long-term planning [which] leads... to improvisation for survival.” Companies focus on “rapid management performance directed at short-term results with emphasis on crisis solving” (Feldmann, 2014, p. 35). Methodical strategy formation is mostly unknown in Latin American business; “companies operate on a daily basis... [having] not even an implicit strategy, and as a result there is no long-term strategic vision” (Brenes, 2014, p. 35).

Personalism “reflects a cultural difference that inclines Latin America toward ‘corporatism,’ a type of society where the state treats society as a family” (Hellinger, 2014). Before long this devolves into clientelism in both business and government, in which personal corruption becomes necessary and ubiquitous (Roniger, 2012). In the context of Beijing bilaterally promoting the BRI to the states of LAC, this means that those whom the Chinese had to deal with tend to consult their own image rather than any program or strategy transcendent to the person of el jefe. The strongman or *caudillo* image makes more of an impact in LAC in both business and politics than any concept of a future to be shaped by testable visions of what could and ought to be.

**The Regional Strategy Vacuum**

The insidious sway of Fantasy Agency and the Institution of Mañana top out in their repercussions on the relations between the LAC states. The countries of the region are so everlastingly adjourning the performance of their agreed duties to each other that had the rule forbearing laxity not existed, it would have been necessary to invent it. But this means that mutual aid is practically non-existent. Characteristic of LAC foreign policy making is that Latin American and Caribbean countries have succeeded but sporadically in constructing *inter se* the self-fulfilling, self-reinforcing norms which might normalize their conduct enough to fix the reciprocal trust underlying collective agency (e.g., in the manner of the European Union) even when constructing their own multilateral organizations, let alone when participating in those which, like the AIIB, were crafted by foreigners.

The supreme irony is how well Latin Americans can think up rules of universal applicability when it comes to constructing institutions designed for the benefit of all mankind, but not themselves, in particular. Latin American and Caribbean agency stands out in the existing multilateral institutions like the UN and the Non-aligned Movement during the Cold War. The Charter of Economic Rights and Duties of States was a pillar of the New International Economic Order (NIEO) acclaimed by the UN General Assembly in 1974 — a bill of rights to development formulated in universal terms for the benefit of all mankind upholding the “equity, sovereign equality, interdependence, common interest and cooperation among all States.”

**11** Though it seemed to arise in the 1970s from “demands

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for ‘development-related rights’ and the ‘corresponding obligations of developed countries and the international community as a whole,’” the fact is that this “project of international development [is revealed] as emanating from Latin America, and in post-revolutionary Mexico in particular” (Thornton, 2018, p. 409). Yet neither Mexico nor Latin America ever reaped any benefit for itself from its fantasy utopianism. Whether or not the Latin Americans were hoping to benefit themselves, it matters (or it may matter) that they do all their thinking in terms of legal universals… and that lends itself all too easily to expropriation by peoples from other parts of the world who are single-mindedly pursuing their own benefit, not LAC’s.

On the few occasions when their multilateral organizations do manage to hang together and they are in command of them, the peoples of LAC show glimmers of the strategic realism they need. An example was the Second Ministerial Meeting of the China — CELAC Forum summit in Santiago, Chile in 2018, at which Xi Jinping attempted to recruit to his Belt and Road Initiative the whole of the LAC region at once by way of endorsing a joint communiqué. The Latin Americans politely declined in the Special Declaration of Santiago.12 But Beijing just switched tactics and contrived to trip a cascade of bilateral endorsements by LAC governments acting unilaterally without consulting their peers, — a quintessential outcome for Latin America.


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