Latin American Experience of Paradiplomacy: The Case of Mercocities

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Abstract. At present, the nature and scope of paradiplomacy vary depending on the level of political activeness of the regions, local challenges and the willingness of both states and sub-national entities to implement paradiplomacy strategies. Latin America, taken as an object of study, is no exception. Over the past three decades, Latin America has gained considerable experience of interaction at the level of cities and sub-national regions. The aim of the research is to identify the key features and problems that shape the development of paradiplomacy in South America, using Mercociudades (Mercocities) as an example. This network includes cities of MERCOSUR member states, while remaining open to other cities. Mercociudades might be regarded as the largest and most influential actor of that nature, whose aim is to develop regional units. Relying on case study, document analysis, comparative analysis and SWOT technique, the authors reveal some problems of institutional and organizational nature, differences in legal frameworks of different actors and irrelevance of separate Mercociudades projects and structures for tackling common challenges. Many of the shortcomings of Mercociudades lie in the very nature of the network, determined by its structure and the policies of MERCOSUR member states. At the same time, it is argued that the Mercociudades network can be considered one of the most advanced paradiplomacy cases. Its experience is relatively successful, contributing to the economic, social and political development of the member cities and states concerned. The research is based on official documents and respectful academic sources.

Key words: paradiplomacy, Latin America, South America, Mercociudades, Mercocities, MERCOSUR


Латиноамериканский опыт парадипломатии: кейс Меркосьюдадес

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Аннотация. В настоящее время сущность и масштабы парадипломатии варьируются в зависимости от уровня политической активности регионов, локальных вызовов и готовности как государств, так и субнациональных единиц к реализации парадипломатических стратегий. Латинская Америка, взятая в качестве объекта изучения, не является исключением. На протяжении последних трех десятилетий в Латинской Америке был накоплен значительный опыт взаимодействия на уровне городов и субнациональных регионов. Цель исследования состоит в том, чтобы выявить ключевые особенности и проблемы, которые определяют развитие парадипломатии в Южной Америке, на примере Меркосьюдадес — Mercociudades (Mercocities).

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Научная статья / Research article

THEMATIC DOSSIER: Latin American Identity Discourse...
В данную сеть входят города государств — членов Общего рынка стран Южной Америки (МЕРКОСУР), при этом она остается открытой для других городов. Меркосьюдадес можно считать крупнейшим и наиболее влиятельным субъектом такого рода, целью которого является развитие региональных единиц. Опираясь на кейс-стади, анализ документов, сравнительный анализ и методику SWOT, авторы выявляют проблемы институционального и организационного характера, различия в правовых рамках различных акторов и слабость отдельных проектов и структур Меркосьюдадес. Многие недостатки в деятельности Меркосьюдадес кроются в самой природе Сети, определяются ее структурой и политикой государств — членов МЕРКОСУР. В то же время обосновывается, что сеть Меркосьюдадес можно считать одним из наиболее продвинутых кейсов парадипломатии. Приобретенный опыт можно оценить как относительно успешный, способствующий экономическому, социальному и политическому развитию городов-членов и соответствующих государств. Исследование основано на анализе официальных документов и данных авторитетных академических источников.

Ключевые слова: парадипломатия, Латинская Америка, Южная Америка, Меркосьюдадес, МЕРКОСУР

Introduction

Paradiplomacy, the international activity of subnational and non-governmental actors, has become increasingly important in recent years, developing in every region of the world regardless of its level of development and influencing the entire architecture of world politics.

The influence and scale of paradiplomacy varies according to the international political activity of the regions, the range of local problems and the aspirations of both states and sub-national entities (cities, regions) to act in this direction. Latin America that is taken as a research case is no exception, with both large and small states being paradiplomatic in the region. The aim of the research is to identify specifics and problems affecting the paradiplomatic activity in South America, in particular the Mercociudades (Mercocities) case established by the cities of the MERCOSUR member states, namely Argentina, Brazil, Paraguay and Uruguay. It relies on the neoliberal methodology considering cities as hybrid actors of international politics. The authors use the methods of case study, critical analysis of official documents, comparative analysis and SWOT technique to define key strengths and weaknesses, as well as opportunities and threats for Mercociudades’ future development.
the core of which is the activity of regional governments with foreign and non-governmental actors” (Kuznetsov, 2015). A number of researchers add that paradiplomacy implies a process of regions’ engagement in international economic activities and international relations (Bazarov, 2011). G. Yarovoy defines paradiplomacy as increasing influence of subnational actors in the domestic politics of states and in international relations (Yarovoy, 2013).

The institutionalization of paradiplomacy dates back to the General Assembly resolution 3327 (XXIX), by which the Assembly established the United Nations Human Settlements Programme (United Nations Habitat) and the Human Settlements Foundation. The UN Conference on Human Settlements, held in Istanbul in 1996, recognized local government as an important partner in the implementation of programs for peace and development on a planetary scale.1

Chadwick Alger called for orienting international research from the local level, giving a special focus on cities — with an industrial profile mainly — as units of approximation of world politics (Alger, 1977). Cities play a prominent role in global politics because they are creative cores of new technologies and culture, nodes of international systems that facilitate interconnections. Similarly, Ivo Duchacek (1984) focused primarily on the role of the activities of subnational governments, which later began to be distinguished among the actors contributing to the erosion of sovereignty.

André Lecours introduces to the analysis the structures or conditions that determine the involvement of sub-state units in the foreign policy of the federal states:

1) the formal institutional framework, that is, the prerogatives reserved by non-central governments;

2) the form and type of relations that are established between the sub-state governments and the central government, which may involve both cooperation and a state of conflict;

3) the representation of non-central governments in federal institutions, both formal and informal;

4) the relationship between the central government’s agenda and the interests of the sub-state units (Lecours, 2002).

Jorge Schiavon conducting a comparative study of paradiplomacy in 11 states (Argentina, Australia, Belgium, Brazil, Canada, Germany, India, Mexico, Russia, South Africa and the United States) concludes that sub-state diplomacy plays an increasingly influential international role as regions, federal states, provinces and cities seek to promote trade, investments, cooperation and partnership on a range of issues (Schiavon, 2019). Although his research is limited to federal states, he has managed to substantiate that the world witnesses a variety of levels, types and activities of paradiplomacy.

To summarize existing approaches to paradiplomacy, it is possible to identify several key features.

First, it is public in nature. The aim of paradiplomacy is to ensure the representation of subnational actors (regions, cities, municipalities) operating in official status in the international arena, in order to make their interests be taken into consideration.

Second, it is implemented by subnational actors that operate as territorial units of a state, and in this role, they possess political power.

Third, paradiplomatic activities are aimed at securing the interests of subnational actors that comprise the creation of region, municipality, city of ethnic group’s identity, the consolidation of its status in the domestic environment, as well as in the global arena. Even separatism can be a goal of such activities.

Finally, paradiplomacy is carried out by subnational actors through special institutions that are established in order to ensure their international political and economic connections.

Alexander Kuznetsov (2015) resorts to an analytical approach in assessing paradiplomacy, suggesting that case assessments should be based on the following questions: What are the prerequisites of paradiplomatic activity? What are the legal grounds? What are the prevailing motives to be involved? What is its degree of institutionalization? What are the likely consequences for development?

In academia, paradiplomacy is usually discussed in the framework of institutionalism and internationally in the categories of liberal institutionalism (Abylgaziyev, Ilyin & Sluka, 2011) as a process driven mostly by non-state and hybrid actors of world politics. This refers primarily to cities, which are considered to be gateways for globalization. In this sense, globalization and the rise of transnational regimes, especially regional trading areas, have eroded the distinction between domestic and foreign affairs, forcing a redistribution of power between state and sub-national governments and pushing cities and regions into fierce competition at the international level. Adding to these functional shifts are new political conditions in which local elites are increasingly involved in the process of regional or state-building (Aldecoa & Keating, 1999; Blakely & Leigh, 2010).

Practically paradiplomacy employed in foreign policy might perform several functions. It relies on the cities and other sub-state units as providers of transnational flows to cement the states’ role in today’s global economy and world politics. Cities are showcases of globalization, so paradiplomacy is another level of it. Paradiplomacy is best suited for promoting state’s soft power. It is aimed at promoting and improving trade, investment, political, cultural and other ties between states. Sometimes such an activity is even more productive in human-to-human international contacts than ordinary state programs. The case of network of Euro-regions and euro-cities confirms this trend. At the same time at the level of sub-state entities, the development of a foreign policy is predicated upon the personality of the politicians, who might pursue polar interests: from those to participate in global processes effectively to those linking to separatism and nationalism (Lachapelle & Paquin, 2005). This happens also since paradiplomatic activity might strengthen regional transnational identities. Partly for this reason, projects of Euro-regions and strengthened subsidiarity have been supported in Europe; they aim to strengthen the European identity.

The following sections focus on paradiplomacy in Latin America. One of the most developed cooperative networks of cities and regions in South America today is Mercociudades. The article discusses the mechanisms of cooperation it embraces, the venues of development it has, and reveals the factors of effectiveness of the project as well as its challenges.

**Evolution and Structure of Mercocities Network**

Paradiplomacy is an important part of the development of sub-national regions of Latin American states. United by geography, culture, language and traditions, the regional players increasingly cooperate with each other. Before turning to the example of paradiplomacy in MERCOSUR it is crucial to note that it is not a unique case of the institutionalized paradiplomacy in Latin America.

The member states of MERCOSUR, established in 1991, namely Argentina, Brazil, Paraguay and Uruguay (Venezuela was also part of the integration group, but its membership was suspended in August 2017), are on the list of the most active regional actors not only at the interstate but also at the sub-national level.

The Mercociudades network was founded in 1995, initially comprising 12 cities but later expanded to 366 (including cities from non-MERCOSUR countries), which indicates a strong interest in participating in this dialogue and cooperation mechanism. The immense question, however, is what motivates local representatives to become part of this network.
In the study carried out by the MERCOSUR Institutional Studies Group of the University of Buenos Aires some motivations of mayors to participate in the network are defined, among which the following stand out: building connections that allow the city to increase interaction with other national or regional entities; jointly developing coordination models with other leaders and implementing public policies; gaining access to alternative funding sources (Guimarey, 2018).

At the seminar “MERCOSUR: Opportunities and Challenges for the Cities,” organized by the Union of Iberic-American Capital Cities — Southern Cone Subregion, held in the city of Asuncion in March 1995, the idea of Mercociudades began to take shape. The result is the Declaration of Asunción, in which six cities, Asuncion, Montevideo, Brasilia, Buenos Aires, Rio de Janeiro and Santiago, expressed their desire to form an association that would enable them to face the challenges proposed by MERCOSUR and to exercise an active and autonomous role in the process. In July of the same year, the Porto Alegre Commitment was signed, defining the characteristics of the new association and setting a deadline for its establishment. Finally, on November 11, 1995, the First Summit of Mayors was held in the city of Asuncion where, in view of the important role played by cities in regional integration processes and in order to facilitate their participation in MERCOSUR, the Mercociudades Founding Act was approved and signed.2

There were twelve founding cities: Asunción (Paraguay), Rosario, La Plata, Córdoba, Buenos Aires (Argentina), Florianópolis, Porto Alegre, Curitiba, Rio de Janeiro, Brasilia, Salvador (Brazil) and Montevideo (Uruguay). The members of the organisation have initiated the creation of an Executive Secretariat, which coordinates the activities of the Thematic Units and represents the network. The Summits are held once a year, coinciding with the mandates of the Executive Secretariat. It was also decided that the network would be made up of capital cities, metropolitan or that, which due to their location are of integrationist interest or international profile that can contribute to the development of the network. At the same time, a Council composed of the Heads of Municipal Governments of the cities belonging to the network was created as an inter-municipal framework in order to achieve an active participation of the bodies and the formation of technical units.

The aims and objectives are described in the network Statute. From an analytical point of view, they can be broadly divided into three large groups (Guimarey, 2018):

1) institutional objectives, which seek to favour their participation in the institutional structure of MERCOSUR and South America and to pursue co-decision within competence;
2) the objectives of relations and cooperation seeking to influence international agendas and multilateral organizations; promote the creation of alliances between cities;
3) the objectives related to municipal policies, which include working together to fulfil the obligations referred to in the United Nations 2030 Agenda for Sustainable Development.3

The Statute was amended on November 14, 2015 in the celebration of the 20th Mercociudades Summit in the city of São Paulo. The reform was aimed at modifying the form of governance and carrying out a programmatic update (purposes, directions and priorities). The institutional framework of the network was strengthened to enhance the actions of the network and consolidate its relations with other institutions with a greater structure, history and institutional framework (Oddone, 2009). The new governance involved modifying the following parts: the General Assembly was

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3 Ibid.
replaced by the Summit of Heads of Government; a Council that brings together forty cities in a proportional manner and carries out operations based on the guidelines defined by the Summit; the Executive Directorate, which replaced the Executive Secretariat as the executive body of the Network that is a collegiate body made up of the President, Vice-presidencies, Executive Secretariat, Board of Directors. A Permanent Technical Secretariat and thematic units were established to support their work (Wong-González, 2015).

The Mercociudades network is currently working in collaboration with various national, regional and international organizations, including United Nations entities, MERCOSUR and other regional associations, other local government networks, commercial entities and associations, non-governmental social organizations. Mercociudades is made up of 366 cities, distributed as follows: 142 — Argentina (38.8%), 89 — Brazil (24.3%), 28 — Paraguay (7.7%), 29 — Peru (7.9%), 26 — Chile (7.1%), 20 — Uruguay (5.5%), 14 — Venezuela (3.8%), 9 — Bolivia (2.5%), 6 — Ecuador (1.6%) and 3 — Colombia (0.8%) (Fig. 1). Funding is provided by annual fees paid by member cities and staff, income generated by their activities, and other contributions from public and private, national and international organizations interested in the development of the organization.

Thus, the Mercociudades network is quite developed and an important part of the regional paradiplomacy. Including not only the cities of MERCOSUR states, but also many others, it is the largest and most significant player in the development of sub-national entities in South America. The reasons for the development of paradiplomacy in Latin America include increasing globalization, regionalization, the institutionalization of cooperation in regional integration groupings in Latin America (Krylov, 2009), the democratization that swept the region in the late 20th century, the internationalization of domestic politics and partial decentralization as a result of democratic trends, economic development and the search for new incentives for cooperation. The predominant causes are mostly economic; however, the embrace specific political motives emerged from MERCOSUR integration. Regarding institutionalization, it has taken a variety of forms in the region, from summits at regular and ad hoc meetings to forums and world exhibitions.

Fig. 1. Mercocities on the map of South America

Effectiveness and Challenges of Mercocities’ Paradiplomacy

The Mercociudades network represents a project seeking to strengthen the ties of local administrations, achieving greater
efficiency in government management. It embodies an instrument that organizes governance at the regional level and a true contribution to the integration of cities and their citizens. In analysing the effectiveness of the network in question, several examples of projects implemented in Mercociudades can be cited.

Currently, with the COVID-19 pandemic hitting MERCOSUR member states hard, Mercociudades is important in uniting the mechanisms of local actors when carrying out actions that seek to mitigate these effects, serve the most vulnerable people, take care of health and promote cultural, environmental, social and economic development in cities. For 25 years, local governments in each of the cities have fostered cooperation and exchanges of experience on local development issues, including through the collaboration of civil society structures, universities, etc., providing valuable contributions to sustainable development and implementing community projects.4 Mercociudades exercises different projects aimed at recovering from the COVID-19 crisis. Mercociudades became a participant in the forum on urban sustainability and new possibilities for the cities organized together with UN Habitat, Economic Commission for Latin America and the Caribbean (ECLAC), Global Resilient Cities Network and other international organizations.5 The digital transformation that is crucial for the today’s world was discussed during the sessions of the Meeting of the Smart Cities organized by Montevideo, Uruguay. Experts, universities, authorities and other participants discussed the

 challenges and opportunities arising from the post-pandemic recovery.6

In early 2017, the Mercociudades network announced a new program called “South — South Mercociudades Cooperation Program.” There was no equal or similar experience in the Latin American region. Mercociudades gave its money in order to make local authorities and different organisations, including universities, non-governmental organization and societal ones, participate in this program. The aim was to improve the living standards, to solve all the emerging gender inequality issues and improved development of the region by transmission of knowledge and experience regarding a number of relevant issues and topics for cities. The South — South Mercociudades Cooperation Program comprises two major trajectories of activities: “Calls for financing projects” and “Training for regional projects formulation” (Ribeiro & Ribeiro, 2017). So far, these initiatives have been selected according to their contribution to the main thematic axis of the network, Sustainable Cities and Communities, as well as their contribution to the following topics — gender equality, clean water and sanitation, and reducing inequalities.7

In terms of project effectiveness, the network selects four priority projects and key topics each year. These usually include environmental issues, climate change, migration, cultural issues, sustainable development, innovation projects and regional integration projects (Calvento & Rolandi, 2015).

The activities in question are carried out with the use of different means and in different modalities: for example, professionals and

Officials exchanges, internships, technical assistance, international forums, seminars, training projects for human resources, etc. Mercociudades by means of South — South Mercociudades Cooperation Program approves different modalities, such as capacity building, technology and knowledge-base and a system of grants.\(^8\)

South — South Mercociudades Cooperation Program has been running since 2017. More than 20 projects have been implemented over these years, and the majority of states participating in these programs have taken a lively part in discussing business issues, sharing technology, including open e-government, discussing how to address inequalities, environmental problems and other issues.

The Mercociudades network has launched partnership projects with different institutions across the globe. It is crucial to underline that Mercociudades received support and aid form such organizations and regional integration groups as the Inter-American Development Bank, the Iberic-American General Secretariat, the European Union and many others.\(^9\) The above-mentioned partnerships have a really crucial and important role in the implementation of these initiatives as they lead to increased support of other projects and plans. The Mercociudades network maintained the volume of money used to implement projects, but the resources used to finance plans increased significantly in 2018 precisely because of external cooperation.

In terms of figures, it is worth underlining that the Mercociudades network, with its South — South Cooperation Programme, funds projects worth USD 20,000 annually, and the projects at which these financial resources were aimed valued more than USD 51,000 and more than USD 90,000 in 2017 and in 2018 respectively.\(^{10}\)

Turning to other perspectives and aspects of the network’s activities, it is important to mention the South — South Cooperation Program’s openness and transparency for civil society, which can be demonstrated by the figures showing the enhanced and increased participation of educational and civil society institutions in the competitions led by the Program. This led to united efforts and improved cooperation between local authorities and reflected more active interconnectedness of actors.

Mercociudades implements projects throughout the Latin American region, not limited to MERCOSUR member states. Thus, the Mercociudades network strengthens the role of local authorities and their participation in global links and communications to make the local problems widespread, so that they become well-known in the whole world to make other countries help to find appropriate solutions. Moreover, this fact increases the role of Latin American local players in the global framework (Azocar, 2019).

The work of the South — South Cooperation Unit within the Mercociudades network is progressing well and has clear prospects for further growth and development. For example, one resource that is currently underutilised is the involvement of private business in financing plans, projects and training, as well as enhancing relevant expertise between the sectors.

At the same time, Mercociudades suffers from the legal problems. There is no clear legal regime for the operation of the network. From the point of view of day-to-day management and the handling of funds, there is an imperative need to create conditions that would increase

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efficiency in this respect. Legal certainty is protected by regulations known and respected by all and promotes transparent and clear management.

In recent years, against the backdrop of globalization and the neoliberal policy of devolving power to the regions (without providing sufficient resources), cities have been faced with the need to seek technical and financial support from outside. This participation in the international scene does not have a basis, many times in local, national and much less international legislation. The constitutional frameworks enshrining the status of sub-national entities are also different in Mercociudades. In some countries, there are constitutional limits to local or sub-national government activity in the international sphere, while in others there are specific regulations and their range is quite broad.

The rapid evolution of the phenomenon has caused in some cases the review of the regulations with a view to achieving adaptation, coherence and legal certainty. But it is believed that the practice has gone faster than the regulations and there is a legal void on this matter. Comparing the constitutional limitations and guarantees for subnational governments in MERCOSUR member states, it is important to underline that Uruguay and Paraguay retain the strictest regulation of the external powers of the regions, as the states are unitary. Paraguay has the highest level of national authority. Argentina and Brazil, as federations, have more liberal legislation with respect to the powers of sub-national units, which contributes to a more active and fruitful participation of cities in diplomatic activities at the sub-national level.

The Thematic Unit of Municipal Autonomy, Management and Finance (an ad hoc advisory group in Mercociudades) conducted a comparative study of the level of local government autonomy in MERCOSUR countries. The conclusions were to be expected: more legal certainty is needed in the integration group, but special mechanisms must be put in place to guarantee both its internal harmonization and its compliance with national legislation in MERCOSUR (Caetano, Godínez & Niubó, 2007).

In MERCOSUR there is a need to have legal certainty in order to be able to propose and require the creation of rules for this. Although there is an idea that security is created from the beginning and rules, laws, decrees, etc. are created for this purpose as progress is made. In order to promote and shape the community’s legislative framework, mechanisms must also be put in place to ensure that they are respected.

The Mercociudades network faces problems of horizontal communication. The problems of horizontality and the emergence of centralities are not always linked to non-democratic phenomena. There can be several reasons for a city to acquire more or fewer connections within an organization. For example, they can range from disinterest in political issues to local economic crises and are not necessarily related to undemocratic network structures. Some actors may acquire more importance than others within a network, depending on their motivations and opportunities. In this sense, cities, although they participate in the same network, act individually and from their own perspective and interests. As participation is not compulsory, other factors exogenous to the network influence the active participation of a city. Therefore, the inducing element is not the political spillover, but the opportunities and obstacles that transnationality and the internal environment provide them. The Mercociudades network has been strengthened primarily by increased information flows between cities, rather than by the spread of integration processes.

It was against the backdrop of the economic crisis that broke out in some countries of the region in the late 1990s and early 2000s that the cities began to actively claim the need to rethink some strategic objectives, while deepening the integrative process. To this end, at the 8th MERCOSUR Summit in 2002, the authorities committed to work for “Better
MERCOSUR” amid regional economic crises and consequent political and social tensions, the cities raised the need to deepen the block. “Better Integration” — allocating the contribution of the cities to support the political agenda with a focus on the area of production. “Better Democracy” — based on the incorporation of more cities and the consequent expansion of the participation space.11

On this basis, some areas of work can be identified as priorities.

First, the design of a border integration strategy, as these are the areas that have the greatest number of difficulties in the cross-border integration process.

Second, regional integration: Mercociudades had high indicators of unsatisfied basic needs and a low human development index, which made them more vulnerable; it consisted of historically relegated territories and far from decision-making centers. Overall, it did not have adequate provision and access to quality services (health, education, security). The system was not harmonized and there were no rules governing cross-border transit, migration or allowing the sharing of infrastructure and technological resources that cross-border settlements had. Cooperation in health and education between the cities was at a minimal level. The cities did not have certain resources (financial or technical) to solve their problems jointly, etc.

Against this background, Mercociudades discussed at the 8th Summit in 2002 that in order to improve these conditions, border policy cannot be designed exclusively from the centrality. Rather, the management capacity of civil society and local governments must be strengthened, since they are the closest to the reality of the border regions.12

The framework granted by the Organization of the Cities for Responsible Consumption (FCCR) has become the basis for the development of a local position on this issue. For example, in 2007, a proposal was submitted to the FCCR at its 3rd Meeting on the creation of a Working Group on border integration. It was established at the FCCR meeting in 2007 and the first meeting of the group took place on 19 May 2008.13

Since the establishment of the Working Group on Cross-Border Integration, various seminars and workshops on border policies, meetings between sub-national governments and other events have been developed at the request of local authorities. Some of these activities include: Seminar “Regional Integration Policies: successful experiences in MERCOSUR cities” (Tandil, Argentina, 2007); North Front Meeting (Belem, Brazil, 2007); Workshop Seminar on Border Integration Policies (2007—2008); Seminar “Border Issue. A Pending Agenda in MERCOSUR” (Formosa, Argentina, 2008) (Iglesias & Gasol Varela, 2010).

However, one of the problems that most affected cities to implement border integration policies was the scarcity of resources (especially in terms of technical capacity).

One of the most relevant initiatives was the preparation in 2010 of the project “Border Governance: Strengthening the capacities of the Departmental and Local Governments of MERCOSUR,” which was successfully implemented between April 2011 and April 2013. The project was implemented by the FCCR with funding from the Spanish Agency for International Development Cooperation (AECID) aimed to leave installed capacity, strengthening and empowering local actors in the border twin cities through training in the formulation and execution of projects.

Along the same lines, an Act of Commitment was also signed between Mercociudades, the Centro Studi di Politica

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12 Ibid.
Internazionale (CeSPI) and the Italian Interregional Observatory for Development Cooperation in order to collaborate in the exchange, training and technical assistance in areas such as governance, cross-border cooperation, social cohesion policies, etc. To this end, the First Argentina — Brazil — Paraguay Cross-Border Cooperation Forum was held in 2009 as a result of cooperation under the Open Border Programme, as well as under the Cross-Border Integration Programme led by the Municipality of Canelones (Uruguay) as Executive Secretary Mercociudades in 2009 (Fesur, 2010).

Then, work was done on productive integration. It is important to note that this aspect has always been a priority for the cities of the network, as it is generally linked to the concept of integration that goes beyond trade (proposed in the 1990s) and was linked to real economic and social development factors, such as job creation. But it was not until 2002 when the Mercociudades summits began to emphasize this axis as a fundamental strategy to strengthen the regional integration process.

Initially, the issue of productive integration was approached from the Mercociudades Local Development Unit through the organization of seminars, business rounds (to promote cooperation between companies), discussions, city economic profile surveys, monitoring of MERCOSUR bodies related to the issue, and so on.

Since 2006, MERCOSUR has put productive integration as the main agenda item (at the Cordoba Summit), and from then on the development of various instruments that would consolidate work in this area began, including the Seminar on Productive Integration in 2007, the creation of the Productive Integration Programme (PIP), the Productive Integration Group (PIG) (Maira, 2010).

At the same time, the FCCR decided to incorporate productive integration issues into its agenda as relevant issues for MERCOSUR. And, in addition, recognizing the need to promote an integration policy that aims to include local enterprises to the commercial flows of the region local governments should be included in the issue of productive complementarity and work on proposals aimed at generating links between companies, unions and various public authorities to improve cooperation rather than increase competition.14

However, most of the instruments adopted implied little involvement of local actors. In turn, they faced obstacles in harnessing the productive potential of cities at the regional level, mainly the lack of resources (not only economic, but also technical) for the implementation of productive programs, the discontinuity of productive policies (both local as well as national level, which causes a credibility problem) and lack of coordination between government spheres, etc. (Couto, Crovetto & Gorosito, 2012).

For this reason, the issue of productive integration was addressed in Mercociudades by the IN Cooperation Project (“Innovation and Social Cohesion: Methodological training and visibility of good practices”) to train local authorities and civil society organizations in the formulation of regional projects. In 2010 and 2011, six projects were selected and supported in seeking funding in 2012. These projects include Regional Tourism Development (Neuquen), Public Policies for Young Women (La Paz), Strengthening the Capacity of Young Entrepreneurs and Small and Medium Enterprises (Tucuman), etc.15

Furthermore, there are certain institutional obstacles, such the lack of democratization of MERCOSUR (above all, due to its complex structure and lack of transparency), the delay in the free movement of people (an issue that Mercociudades is currently working on), and

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the insufficiency or inadequacy of some MERCOSUR normative acts, which contradict actual cross-border practices, such as the circulation of goods, the transit in both directions for labour, educational or health visits (Couto, Crovetto & Gorosito, 2012).

As a result of the above, the three strategic directions in which the network should work (productive integration, cross-border integration and regional citizenship) are not isolated, but complementary and mutually reinforcing. In order to bring MERCOSUR closer to citizens’ problems, more importance should be given to cross-border areas and productive complementarity, as this would contribute to greater efficiency (between companies, governments, NGOs) from a regional perspective.

Mercociudades then resorted to developing measures to address the issue of regional citizenship. The participation of civil society and local authorities (as those closest to citizens) in MERCOSUR decision-making promotes democratization and strengthens the bloc.

Undoubtedly, all of this is also related to the issue of the widespread and increasing use of the Internet. The neoliberal processes of the 1990s among other consequences had caused significant shortcomings in terms of social inclusion. The early years of MERCOSUR were inspired by this neoliberal ideology. Hence the increased responsibility of sub-national governments to respond to unsatisfied demands in areas that previously were not covered (such as health, education, economic and social welfare, etc.) as a result of the “withdrawal” of the state as a social guarantor.

In this sense, sub-national governments have great opportunities for social and cultural exchange between communities, fostering the participation of civil society as a form of construction of citizenship.

Within the framework of the Thematic Units, different activities have been developed (seminars, discussion forums, research work), focused on education and work, the inclusion of the gender perspective and equity in MERCOSUR cities, the political participation of youth, recreational and cultural activities between citizens of different countries, etc.

Likewise, the Mercociudades network sponsors two projects that seek to promote the construction of regional citizenship. On the one hand, the “Local Policies Laboratory” associated with the Andalusian Fund of Municipalities for International Solidarity and subsidized by the AECID. In order to systematize, evaluate and continuously develop the experience of citizen participation in local government of the network, it was planned to hold seminars, training modules, a virtual platform (database and experiences) that provided publicity for the initiatives launched in the cities and allowed to share experiences on different issues.

On the other hand, there was the “Human Rights, State and Civil Society: Construction of Citizenship” project (known as State + Rights project), presented by the Municipality of Moron and executed in 2010 for a period of 30 months. The project was designed to create and strengthen local institutional units that promote the inclusion of social organizations in the work of MERCOSUR in the area of human rights.

The essence of the program involved training (seminars, forums, development of educational proposals with the production of teaching materials, workshops for teachers on human rights, etc.), research through a survey and preparation of analyses of local problems and regional coordination (working meetings and interaction with MERCOSUR institutions and civil society organizations).16

The platform provided to sub-state organizations within MERCOSUR through the FCCR was created to outline positions and formulate proposals on the issue of citizenship.

Thus, at its 3rd meeting, the FCCR decided to incorporate the issue of regional citizenship as a relevant issue for MERCOSUR into its agenda. Local governments expressed the need to “recognize the role of subnational governments as the state structure closest to the citizen, with the capacity to link the local with the regional and with the territory through communication and a capacity for proposal and response with the participation of citizens.”\(^{17}\) It is necessary to promote the decentralization of decision-making areas and open spaces for citizen participation, a process which the organization seeks to strengthen and deepen.

Despite all of the above, the axis of regional citizenship has proved to be one of the most difficult to tackle. According to interviews with different local authorities and civil society organizations prepared in the framework of the IN Project, this is due, in particular, to the following issues — a lack of regional culture (in the sense of a lack of common orientation of countries towards a certain goal and common values) and a lack of regional culture (that is, a lack of identification with an integration process that has been going on for many years), the diversity of languages within the same region, and that the activity carried out by Mercociudades not even known to all (Couto, Crovetto & Gorosito, 2012).

Between 2014 and 2020, some rollback in the cooperation within Mercociudades could have been observed. It possibly might be explained by the difficult period of political transformations in the region also known as a “right turn” (Jeifets & Jeifets, 2020), when the left forces stepped aside giving way to more centrist or right politicians. The latter were sceptical about the projects initiated previously by their ideological opponents, so it was obvious that not only UNASUR was set in a deadlock but also MERCOSUR.

In the contemporary period (2021—2022), the security dimension is gradually gaining momentum again in network cooperation: this can be seen in the resumption of meetings at the local level and events initiated by the Network Secretariat. The three general security meetings held in 2021 indicate the relative recovery of the Mercociudades from the negative impact of the COVID-19 pandemic. New projects were initiated in the health sector, also by the Thematic Sector of Civil Security (Unidad Temática de Seguridad Ciudadana, UTSC).\(^{18}\) It confirms the commitment of states to a multi-level understanding of the concept of security and its expansion into the sphere of public health.

Obviously the Mercociudades network has appeared to be deadlocked by declining effectiveness of MERCOSUR itself and national policies in the COVID-19 period. Despite the fact that MERCOSUR member states demonstrated the ability to coordinate efforts during the “first wave” of the pandemic, they faced increasing protectionism, nationalism and the migration problems. Successful measures included agreements on joint supplies of medical materials, mutual exchange of information, agreement to allocate an additional budget for measures to combat the pandemic, as well as joint scientific research. MERCOSUR succeeded in maintaining integration impulses against the background of the pandemic, as well as work in the area of concluding bilateral agreements with European countries (EU — MERCOSUR Agreement) (Kosevich, 2020). In general, MERCOSUR coped with its primary task — to unite efforts against the negative effects of the pandemic and coordinate joint actions to eliminate it. However, very soon individual countries decided to “play by their own rules,” which is generally due to the isolationist policy initiated by the president of MERCOSUR’s leading economy, Brazil, which was launched before the pandemic.


At the same time, the challenge of COVID-19 clearly showed that the cities have managed to develop a sort of common identity and a conscious willingness to cooperate. On May 31, 2021 the president of Mercocities, mayor of Tandil (Argentina), Miguel Lunghi, issued a letter to the World Trade Organization (WTO), where he explained the Network’s position in favor of the temporary liberalization of vaccine patents to combat COVID-19, in a harsh regional context that hits cities throughout the region.\(^\text{19}\) The anti-COVID policy of Mercocities is based on three pillars:

1) building communication tools (web page, dissemination on social networks, form to assist in project formulation, etc.);

2) solidarity cooperation between member cities and various coordinating bodies of Mercocities;

3) external collaboration with third parties to share knowledge, co-create tools, raise awareness and influence.\(^\text{20}\)

To conclude this section, it would be appropriate to provide SWOT analysis on the Mercociudades network in Table 1 to sum up all the above-mentioned features.

During its existence, the Mercociudades network, as can be seen from the table, has faced a number of challenges that need to be addressed. The member cities propose steps to be taken in order to overcome and solve all the emerging problems. Through a unified approach and common efforts, the network has successfully met the challenges. Unfortunately, it is not a common rule, and sometimes the problems are difficult to tackle, that is why Mercociudades cannot be considered a perfect structure. However, politically the network helps to rationalize national foreign policies of the states involved to democratize the decision-making process and to cement the integration initiatives in the region. Thus, paradiplomacy in South America represent a relatively efficient cooperative-joint pattern of multi-level cooperation between states and sub-states units.

**Conclusion**

The theoretical aspects of paradiplomacy refer to the actions of different sub-national actors — cities, agglomerations, municipalities, regions, aimed at international environment and created in order to implement international political activities. These activities, on the one hand, are defined and regulated by national legislation, while on the other hand, they influence the transformation of state sovereignty. However, these activities are not limitless and cannot exceed state’s sovereignty and contradict state’s interests. Paradiplomacy contributes to the growth of transnational activity and, at the same time, to the growth of the quality and standard of living of citizens. Today, paradiplomacy, or the specific example of urban diplomacy, can be found in various regions of the world, and Latin America is no exception. Moreover, it has become a crucial component for the promotion and increasing the living standards in the regional countries.

MERCOSUR has sought from the outset to institutionalise paradiplomacy, and one result of these attempts has been the Mercociudades network, which is an exemplary example of sub-national entity cooperation. It comprises the cities of the states that are part of MERCOSUR and, what is interesting, it is open for other cities, and many other regional cities find in attractive and already participate in this network. Mercociudades can be called the largest and the most important actor that has an aim to develop the regional units.

At present, cooperation in Mercociudades embraces several areas — urban security, development, culture, economics and networking.
### SWOT Analysis on the Mercociudades Network

| **Strengths** | — Consolidation of efforts to achieve common goals. Horizontal management  
|              | — The realisation of “collective power,” the transmission of its influence to the national and regional integration levels  
|              | — Unified approach and joint efforts help to act across the globe and show strong positions  
|              | — Easier and more fruitful resolution of the human rights agenda and other pressing development issues in the region through the network  
|              | — Active participation of civil society in setting the political agenda, contributing to more effective and democratic governance |

| **Weaknesses** | — Lack of financial and economic support from central governments  
|               | — Minimal involvement of private business and companies in project implementation  
|               | — Insufficient emphasis on private capital attraction  
|               | — Problems of horizontal cooperation of Mercociudades  
|               | — Low awareness of Mercociudades’ activities among people of the region  
|               | — The network faces lack of coordination between members |

| **Opportunities** | — Mitigating the negative effects of globalisation, promoting regional development as well as the implementation of globalisation policies  
|                   | — Fruitful implementation of regional development projects in a broad sense, taking into account local features  
|                   | — The existence of an institutional space for coordination among actors both inside and outside MERCOSUR, including partners from other regions |

| **Threats** | — Threat to the development of the network due to the political turbulence in the region  
|            | — Legislative differences in member countries, such as constitutional limitations for some actors in promoting international cooperation at sub-national level  
|            | — Privileged position of some members due to availability of resources and economic development, which makes some actors more powerful and influential  
|            | — Lack of transparency in democratisation processes, which is crucial in the development of paradiplomacy  
|            | — The possibility of crises in some regions influencing other regions due to a high level of interconnectedness |

*Source: compiled by the authors.*

Many programs and events have been implemented so far, but this integration group cannot be called “a perfect case,” because it also has been tackling problems arising from cooperation and impeding it. Certainly, many of these problems are solved by member cities, but sometimes it is not that possible because they are deeply rooted institutional in nature. For example, there are differences in legal frameworks of different actors, and the structure of Mercociudades does not always correspond to current realities. Many weaknesses of Mercociudades are inherent in its nature and determined by its structure and politics of states.

The Mercociudades network can be considered the most important and illustrative example of sub-national cooperation in the region. Its experience is really successful, and it contributes to the economic, social and political development of member cities and their states. Thus, Mercociudades may be a useful example even for Russian cities, and its experience can be applied in the Commonwealth of Independent States (CIS) environment, because the resources and capabilities that are possessed by these actors are sufficient to make progress in this sphere. Mostly it can be noticeable in cross-border cooperation between regional units of Russia and Kazakhstan, Azerbaijan and other states. Russian subnational units can interchange their experience between each other, as some Far Eastern regions of...
Russia are active in cross-border cooperation with their Asian counterparts. The experience of the Mercociudades network can also be used because it includes cities that are geographically, historically and culturally close to each other, and the CIS region also possesses these advantages for productive and mutually beneficial cooperation.

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