Unveiling the South American Balance

Revelando o equilíbrio sul americano

Luis Leandro Schenoni

Abstract
Within the last fifty years, the Brazilian share of South American power has increased from one-third to one-half of the overall material capabilities in the region. Such a significant change in the regional power structure cannot have gone unnoticed by Brazil’s neighbors. The article addresses the main question related to South American unipolarity (1985–2014): Why have most countries in the region not implemented any consistent balancing or bandwagoning strategies vis-à-vis Brazil? Drawing on neoclassical realism, the article proposes that certain domestic variables – government instability, limited party-system institutionalization, and powerful presidents – have diverted the attention of political elites and foreign policy executives from the challenges generated by a rising Brazil. Crisp-set qualitative comparative analysis is used to test this hypothesis and other, alternative explanations for the regional imbalance.

Keywords: South America. Neoclassical realism. Regional powers.

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Resumo
Nos últimos 50 anos, a participação brasileira no poder sul-americano incrementou-se de um terço para a metade dos recursos materiais da região. Esta mudança significativa na estrutura de poder regional não passou despercebida pelos vizinhos do Brasil. O artigo aborda uma das perguntas mais relevantes sobre a unipolaridade sul-americana (1985-2014): por que a maioria dos países da região não implementaram nenhuma estratégia de balancing ou bandwagoning consistente vis-à-vis ao Brasil? Baseando-se no realismo neoclássico, o artigo propõe que certas variáveis domésticas - a instabilidade de governo, a baixa institucionalização do sistema partidário e a concentração de poder no presidente - tem desviado a atenção das elites políticas e dos executivos da política externa dos reais desafios gerados por um Brasil ascendente. Uma análise qualitativa comparada do tipo ‘crisp-set’ é usada para testar esta hipótese e outras explicações alternativas para o desequilíbrio regional.

Palavras chave: América do Sul, Realismo Neoclássico, Potências Emergentes

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Introduction

It is unquestionable that the power gap between Brazil and its regional neighbors has increased dramatically during recent decades. According to the Composite Index of National Capabilities (CINC) (Singer et al. 1972), Brazil’s share of global power has increased moderately from 1.2 percent to 2.4 percent over the last fifty years, while its share of regional power has increased from 36 percent to 50 percent over the same period. This has meant that South America has been a unipolar subsystem since 1985.

Most studies on Brazilian foreign policy address the country’s relations with other emerging powers or with great powers. However, it is evident that the rise of the South American colossus, while generating new parities at the systemic level, has produced subsystemic disparities that have affected its relationships with other states in the region (Malamud, 2011; Flemes, 2013). There has been increasing awareness and concern about the effects this change has had—and probably will have—in the Brazilian backyard. Moreover, a lively debate has ignited around a forthcoming edited volume entitled Latin American Reactions to the Rise of Brazil (Gardini; Almeida, 2014) and the latest volume of International Politics (Flemes; Lobell, 2015) in which several scholars address this issue from different perspectives.

Such academic interest seems to be justified by a patent empirical riddle. Realism stands as the single international relations (IR) theory that addresses the expected effects of changes in relative power. In a nutshell, it predicts that in a unipolar—not yet hegemonic—South America, the increasing power gap between Brazil and its more powerful neighbors should drive them to counterbalance by increasing their capabilities or reorganizing their regional and extraregional alliances (Waltz, 1979; Mares, 1988; Huntington, 1999). Nonetheless, this has not consistently occurred. South American secondary powers may have contested Brazilian leadership at times, with varied intensity (Flemes; Wehner, 2015), but this behavior has not been consistent across cases and years.

What explains the South American under-reaction to the Brazilian rise? Neoclassical realism proposes an answer to the paradox, asserting that inconsistent balancing, or bandwagoning, strategies may be attributable to certain domestic conditions that prevent a coherent response to subsystemic incentives (Rose, 1998; ABB, 2013). This article tests the plausibility of such an explanation by analyzing unipolarity in South America from 1985 to 2014. In doing so, it focuses on long-term strategic trends, thereby differentiating itself from foreign policy analyses based on short-term data (Lobell et al., 2015).

The article is divided into three sections. The first section explains how Brazil’s neighbors’ foreign policies could be expected to have developed in the absence of domestic constraints. A second section identifies certain domestic variables that may have intervened, preventing such behavior. A third section contrasts these explanations with other competing hypotheses using crisp-set qualitative comparative analysis (csQCA). The article closes with conclusions on how government instability, limited...
party-system institutionalization, and powerful presidents have diverted the attention of political elites and foreign policy executives from the challenges generated by a rising Brazil.

The international level: power distribution and foreign policy behavior

This article argues that it is the combined effect of international and domestic variables that has given shape to South American international politics. For the sake of clarity, this section explores the international variables first. Therefore, it focuses on states as the main actors in and relative capabilities as the main determinants of foreign policy outcomes, while ceteris paribus is assumed for any other international or domestic variables. Thus, to begin with, South America is imagined as a neorealist subsystem of unitary, rational, and self-interested countries (WALTZ, 1979).7

The neorealist logic was omnipresent in South American foreign policy decision-making before the 1980s. In fact, the balancing of power was the standard behavior in the region until the competitive Argentine–Brazilian bipolarity gave way to Brazilian primacy and cooperative unipolarity (MARTIN, 2006; LIMA, 2013). Since then, secondary regional powers such as Argentina have not attempted to counter the Brazilian rise by increasing their own capabilities through internal balancing or by reorganizing alliances through external balancing.

FIGURE 1 • Power concentration in South America: country percentage of GDP, military expenditures and CINC in 1950 and 2013

Source: Composite Index of National Capabilities (SINGER et al., 1972) and Banks (2015).

Confronted with this new reality, many IR scholars abandoned neorealism and assumed that somehow identities or institutions explained the imbalance. Even among those who continued to subscribe to realism, the effect of the Brazilian rise was underestimated because of the overwhelming American hegemony in the region. For instance, it was argued that the United States’ offensive policies in the commercial realm created incentives for secondary regional powers such as Argentina to cooperate with Brazil through MERCOSUR, even given the une-
However, the American hemispheric hegemony had already existed during the period of Argentine–Brazilian bipolarity, and few incentives had existed then for South American secondary powers to ally against the hegemon (MARES, 1988).

If we keep the American hemispheric hegemony as a constant from 1945 onwards, a distinctive South American logic remains: the more the major regional power, Brazil, grows, the greater the incentives for secondary regional powers – Argentina, and also Chile, Colombia, Peru, and Venezuela – to safeguard their autonomy from their rising neighbor. In the words of Samuel Huntington:

[...]

The logic highlighted by Samuel Huntington is clear. Brazil has without a doubt “sufficient material capabilities to project power in its regional [South American] environment [...] which assumes a typically unipolar distribution” (LIMA, 2013, p. 190). Of course, material capabilities are not power per se, but “[…] are the raw material out of which power relationships are forged” (BALDWIN, 2013, p. 277); therefore, given that Brazil represents 50.5 percent of the regional CINC and 55.6 percent of the regional GDP, it is not unreasonable to think that the country could eventually pose a threat (WALT, 1985) or be perceived as a threat (JERVIS, 1976) by the neighborhood, even if it appears unlikely in the short term. In other words,

[...] in each region there are smaller “pivotal states” that make natural U.S. allies against an aspiring regional power. Indeed, the United States’ first move in any counterbalancing game of this sort could be to try to promote such pivotal states to great power status … regional balancing dynamics are likely to kick in against the local great power much more reliably than the global counterbalance works against the United States. Given the neighbourhoods they live in, an aspiring Chinese, Japanese, Russian, or German [and in this case Brazilian] pole would face more effective counterbalancing than the United States itself. (WOHLFORTH, 1999, p. 31)

To summarize, there seems to be agreement in the literature on how subsystemic incentives should have operated in a unipolar region where Brazil was waxing but the United States remained a proximate and powerful regional hegemon (LOBELL et al., 2015). On the one hand, secondary regional powers – Argentina, Chile, Colombia, Peru, and Venezuela – should have contested Brazilian primacy in a consistent manner. On the other hand, small states historically at loggerheads with secondary regional powers and significantly less empowered – Bolivia, Ecuador, Paraguay and Uruguay – should have bandwagoned the South American giant. Figure 2 shows how the regional balance of power should, according to a realist perspective, have been since 1985.
FIGURE 2 • CINC Country share and expected behaviors in South America

Notes: The x-axis and the y-axis both represent the distance from Brazil in terms of the CINC using the formula CINC<sub>Brazil</sub> + CINC<sup>2</sup>. The area of the circles represents each country’s share of the CINC.

Source: Composite Index of National Capabilities (SINGER et al., 1972).

The circle areas represent each country’s share of the CINC. The transparent circle stands for Brazil, and the small states inside of it – Uruguay, Paraguay, Bolivia, and Ecuador – are not large enough to escape the Brazilian orbit. The other circles represent secondary regional powers, all of which are fearful of the prospect of Brazilian hegemony and therefore expected to counterbalance by forming an alliance among themselves and/or with extraregional powers.

From the vantage point of neorealism – that is, considering material capabilities and controlling for all other domestic and international variables – behaviors should follow the pattern described in Figure 1. This statement is a point of departure for addressing this article’s central research question: Why have South American countries not consistently reacted in this way?

Table 1 summarizes the countries’ actual behaviors towards Brazil, taking into account two key features: commercial interdependence and military expenditures. Economic statecraft and military buildups have long been taken as proof of soft- and hard-balancing, respectively (PAPE, 2005). Therefore, expected balancers – secondary regional powers – are supposed to be less commercially attached to Brazil while maintaining relatively high military expenditures. In contrast, expected bandwagoners – small states – are presumed to exhibit a high level of trade interdependence with Brazil and low military expenditures.

Considering structural factors such as trade interdependence and military expenditures in order to assess balancing in South America is of utmost importance. This allows us to distinguish, unlike previous studies (FLEMES; WEHNER, 2015), between states that really do soft-
-balance and those that, despite some “contestational” tactics, do not actually apply a long-term soft-balancing strategy – see footnote number 6. On the other hand, many studies have confused bandwagoning with tactic convergence. However, a certain country’s support for foreign policy initiatives, joint membership in regional institutions (BURGES, 2015), or friendly declarations (GOMEZ-MERA, 2013) does not guarantee that it does not see Brazil as a threat.

This article focuses on structural conditions. It is not as much about perceptions, threats, and short-term balancing (WALT, 1985; WEHNER, 2014) as it is about capabilities and long-term precautions (WALTZ, 1979). The point is that even if no South American country is obsessed with the possibility of conflict in the short-term, some countries do consider the probability – as low as it may be – and thus have long-term independent strategies (BROOKS, 1997). Therefore, secondary regional powers that remain commercially autonomous from Brazil and maintain some degree of military readiness still behave as balancers of some sort. Table 1 provides a picture of the region in 2012; only Chile, Colombia, and Uruguay behave as expected.10

Table 1 • Theoretical expectations and actual behavior towards Brazil

<table>
<thead>
<tr>
<th></th>
<th>ARG</th>
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<tr>
<td><strong>Expectations</strong></td>
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<tr>
<td>Exports to Brazil</td>
<td>HIGH</td>
<td>LOW</td>
<td>LOW</td>
<td>LOW</td>
<td>LOW</td>
<td>HIGH</td>
<td>LOW</td>
<td>MED</td>
<td>HIGH</td>
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<tr>
<td>Brazilian imports</td>
<td>HIGH</td>
<td>LOW</td>
<td>LOW</td>
<td>LOW</td>
<td>LOW</td>
<td>MED</td>
<td>LOW</td>
<td>HIGH</td>
<td>HIGH</td>
</tr>
<tr>
<td>FTA with the US</td>
<td>NO</td>
<td>YES</td>
<td>YES</td>
<td>YES</td>
<td>NO</td>
<td>NO</td>
<td>NO</td>
<td>NO</td>
<td>NO</td>
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<tr>
<td>MERCOSUR</td>
<td>YES</td>
<td>NO</td>
<td>NO</td>
<td>NO</td>
<td>YES</td>
<td>NO</td>
<td>NO</td>
<td>YES</td>
<td>YES</td>
</tr>
<tr>
<td>Military budget</td>
<td>LOW</td>
<td>HIGH</td>
<td>HIGH</td>
<td>LOW</td>
<td>LOW</td>
<td>LOW</td>
<td>HIGH</td>
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<tr>
<td>Rational behavior</td>
<td>NO</td>
<td>YES</td>
<td>YES</td>
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<td>NO</td>
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Notes: Exports and imports are classified as high if they constitute more than 20 percent of the country’s total exports and imports, medium if between 10 percent and 20 percent, and low if less than 10 percent. A threshold of 2 percent of GDP separates high military expenditures from low military expenditures.

Sources: Military Expenditures Database (SIPRI 2015), Trade Profiles (WTO 2012).

On the one hand, Uruguay is the only small state in South America that consistently bandwagons with Brazil as evidenced by its trade interdependence and military expenditures. Small states’ strategies are also evident in many other ways. While President Mujica has literally stated that Uruguay should “jump on Brazil’s wagon,”11 all the other small states have thwarted Brazil’s plans, be it by nationalizing Petrobras’ facilities (Bolivia), blocking Venezuela’s admission into MERCOSUR (Paraguay), or disturbing regional stability because of domestic quarrels and border crises (Ecuador).

On the other hand, Chile and Colombia are the only secondary powers that have secured some margin for maneuver vis-à-vis Brazil, both in the commercial and the defense realms. Unlike Argentina and Venezuela, Chile has gently rejected the pressure to participate in MERCOSUR since the organization’s very inception and has used the UNA-

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10. Interestingly, these behaviors were almost constant from 1985 to 2012. The changes in the international system – from bipolarity in the 1980s to unipolarity in the 1990s and an emerging multipolarity after 2000 – did not affect the regional hierarchies of South American intraregional traders or military spenders. For instance, the mean in intraregional trade varied from 24.1 percent (1985–1990) to 32.7 percent (1991–2001) to 34.9 percent (2001–2014), but during the whole period Argentina, Bolivia, Paraguay, and Uruguay remained the greater intraregional traders (CEPAL, 2014). The same was the case with military budgets: Chile and Colombia remained the highest spenders in all three periods (SIPRI, 2014). Therefore, even if changes at the systemic level affect military expenditure and trade with Brazil in absolute terms, the relative South American hierarchies remain, proving that a subordinate but relevant subsystemic logic exists.

SUR Defense Council to monitor Brazilian doctrines and expenditures (NOLTE; WEHNER, 2014). Colombia is a more reckless balancer. It once overtly defied the UNASUR project by signing a deal allowing the United States to use its military bases. Chile and Colombia are by far Brazil’s most cunning and wary middle-size neighbors.

Besides Chile and Colombia, regional soft-balancers, and Uruguay, a regional bandwagoner, all the other countries contradict realist predictions. Peru, for instance, is a secondary regional power whose behavior resembles the balancing ideal, but its military budget is too low, 1.3 percent of its GDP, for it to be considered a coherent balancer. Bolivia and Paraguay, on the other side, are small countries whose behavior is close to the ideal bandwagoning type, but they are not interdependent enough with Brazil.

Other cases, like Argentina, Ecuador, and Venezuela, bluntly contradict theoretical expectations. Argentina behaves as a bandwagoner: Brazil is its major trading partner and it has the lowest military expenditures – as a share of GDP (0.9 percent) – in the region. Venezuela is less commercially interdependent with Brazil but shows a similar tendency: its trade has shifted considerably from Colombia towards Brazil, now its major trading partner in South America. Lastly, Ecuador, a small country expected to bandwagon, behaves almost as a balancer staying out of MERCOSUR and maintaining high military expenditures. The contradictory nature of these cases is highlighted in Table 1 and deserves special attention.

In the past, some have explained the absence of consistent balancers or bandwagoners as being due to the thick normative nature of South American international society (MERKE, 2015). Others have focused on short-term tactics – rather than long-term structural constraints – softening the realist lexicon and switching the emphasis to the analysis of Brazil’s “leadership” instead of its primacy (MALAMUD, 2011; BURGES, 2015). The next section explains why most countries in the region have not implemented any consistent balancing or bandwagoning strategies vis-à-vis Brazil. Neoclassical realism (ROSE, 1998) offers insights on the problem, asserting that inconsistent balancers or bandwagoners may have particular domestic characteristics that explain their behavior.

The domestic level: institutions constraining foreign policy

We will now look inside the “black box” of the state to understand how and why neorealist previsions have not taken place in some countries while they have in others. Following Randall Schweller, it could be said that the most immediate variable affecting a country’s assertion that there is a potential threat is elite consensus on its existence. If a particular country’s political elite is divided on whether to balance or not, the expected balancing behaviors may be inconsistent or may never be exhibited. Therefore, elite and social cohesion, as well as regime stability, are the key variables for understanding foreign policy behavior, as the following causal scheme shows (SCHWELLER, 2006, p. 63):
Rise of an external threat ⇒ social fragmentation (cohesion) +
government or regime vulnerability (stability) + elite fragmentation
(cohesion) ⇒ elite disagreement or nonbalancing consensus (elite
balancing consensus) ⇒ underbalancing (balancing) behavior

In South America, elite and social fragmentation constrain state
behavior by calling the foreign policy executive’s attention to domestic
politics rather than the international environment. Since 1985, South
American democracies with deep elite divisions have demonstrated
less institutionalized party systems and more personalistic politicians
as heads of government (MAINWARING; TORCAL, 2006). Typically,
these “delegative” presidents (O’DONNELL, 1994) have accumulated
a great amount of power to secure their position but have sooner or later fallen dramatically due to several episodes of government
instability (PÉREZ-LIÑÁN, 2007; LLANOS; MARSTEINTREDET, 2010).

When the internal politics are unstable and mandates are at stake,
the national arena becomes almost as harsh and anarchic as that of international politics. In the event of low party institutionalization
and recurrent government crises, South American presidents are not expected to pay much attention to the power transitions taking place in their region. Foreign policy is more likely to become a tool for accumulating domestic
power, and countries that would have otherwise been rivals can become allies or be ignored.

Paradigmatic cases like Argentina and Venezuela suggest that two
foreign policy behaviors are to be expected from “divided” countries. First, the concentration of veto power in the president should cause
foreign policy instability (TSEBELIS, 2002). Second, domestic turmoil
should lead to the underestimation of international threats, an internally oriented foreign policy, and behaviors at odds with neorealist
expectations. The story looks more or less like this:

Rise of an external threat ⇒ high (low) party-system institutionalization *
representative (delegative) president * government stability (instability)
= neorealist (no neorealist) behavior

Very concrete empirical questions can be addressed to determine
whether South American countries are closer to the “unitary” or “divided” ideal type: Have these countries’ presidents completed their
mandates? Are their party systems institutionalized? Are their presidents delegative? Table 2 summarizes these data. Not surprisingly, countries with recurrent presidential crises, hyperpresidentialism, and greater electoral
volatility – that is, “divided” countries – are the ones that are at odds with neorealist expectations and have more unstable foreign policies.

The first row in Table 2 considers presidential crises that ended with
the dissolution of either the executive or the legislative branch (PÉREZ-
LIÑÁN, 2007; LLANOS; MARSTEINTREDET, 2010). The second row
shows the country’s average ranking on the Pedersen index, which measures electoral volatility as a proxy of party-system institutionalization,
in presidential elections from 1990 to 2011. Finally, the third row shows
whether the country is more or less similar to what Guillermo O’Donnell

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12. The picture would be far more dramatic if failed coups or crises
that did not lead to presidential or legislative breakdowns were con-
considered. In Colombia, César Gaviria and Ernesto Samper had to face corruption
scandals that threatened their govern-
ments in 1991 and 1996, respectively. This was also the case for Jaime Paz
Zamora in Bolivia, González Macchi
in Paraguay, and Rodrigo Borja in
Ecuador, among others. Venezuelan
coup d’état attempts in 1992 and
2002 are also not considered in Table
1 as long as they did not succeed in
custing the president. In all of these
cases an institutional arrangement
was possible and both legislative and
executive powers stood...
that Brazil and Chile, by incorporating the labor movement through the
formation and evolution in twentieth-century Latin America pointed out

owned. David and Ruth Collier’s seminal book on party-systems for-
cies are neither consistent with nor completely at odds with neorealism.

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preferences rather than long-term strategic concerns.

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overtly disregards structural factors. In Argentina or Venezuela, then,

three unstable countries, resulting in overall foreign policy behavior that

less remarkable. Domestic considerations have been preeminent in these

Changes in Ecuador were no

Similarly, Argentina shifted

from a policy of “carnal relations”’’ with the United States to a Chavez-

-like paranoia and harsh discourse. The changes in Ecuador were no

less remarkable. Domestic considerations have been preeminent in these

three unstable countries, resulting in overall foreign policy behavior that

overly disregards structural factors. In Argentina or Venezuela, then,

the bandwagoning of Brazil has been driven by ideology and presidential

preferences rather than long-term strategic concerns.

Finally, there are three cases that cannot be clearly defined as “uni-
tary” or “divided” actors: Bolivia, Paraguay and Peru. Their foreign poli-
cies are neither consistent with nor completely at odds with neorealism.

These domestic similarities in South America have long been ack-

O’Donnell’s celebrated concept for the first time by asking regional experts
to classify every country with regard to eight characteristic attributes of

degenerative democracies. Those attri-

butes are as follows: i) the president is taken to be the embodiment of the

country, custodian, and definer of its interests, ii) the policies of his govern-

ment need bear no resemblance to the promises of his campaign, iii) the

president’s political base is a political movement, presenting himself as abo-

developmental parties and organized interests, iv) other institutions, such as
courts and legislatures, are considered impediments to the exercise of power,

v) the exercise of power is noninstitutionalized, vi) the president nominates

isolated and shielded técnicos to office, vii) extremely weak or non-

existent horizontal accountability and viii) swift policymaking – a higher li-

kelihood of gross mistakes, hazardous implementation, and the president
taking responsibility for the outcome” (GONZÁLEZ, 2013: 7). The index of
Latin American presidents’ legislative powers and partisan powers provided by
Kitschelt (2010, p. 222; SHUGART; CAREY, 1992) reaches similar conclu-
sions for almost every case besides Uruguay, whose presidency seems

stronger. Of course, many institutional changes occurred in most South Ame-

can countries from 1985 to 2013, so this indicator – like any other – must

be taken as an approximation of the concept of hyperpresidentialism.

Although this article does not aim to discuss the Brazilian case,
this country exhibits a particular history. Even though Brazil saw one presi-
dent ousted, in 1992, its domestic politics changed dramatically after the
Plano Real and economic stabilization (PANIZZA, 2000), becoming those of
a very unitary actor. In line with our hypothesis, it was only in this late
period that Brazil started behaving as an emerging power.

(1994) called a delegative democracy, as opposed to a representative one
(GONZÁLEZ, 2013; SHUGART; CAREY, 1992). 13

TABLE 2 • Characteristics of “unitary” (gray) and “divided” (white) countries

<table>
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<th>ARG</th>
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<th>ECU</th>
<th>PAR</th>
<th>URU</th>
</tr>
</thead>
<tbody>
<tr>
<td>Government instability</td>
<td>HIGH</td>
<td>LOW</td>
<td>LOW</td>
<td>MED</td>
<td>MED</td>
<td>HIGH</td>
<td>HIGH</td>
<td>MED</td>
<td>LOW</td>
</tr>
<tr>
<td>Electoral volatility</td>
<td>HIGH</td>
<td>LOW</td>
<td>LOW</td>
<td>HIGH</td>
<td>HIGH</td>
<td>MED</td>
<td>MED</td>
<td>LOW</td>
<td>LOW</td>
</tr>
<tr>
<td>Delegative nature</td>
<td>HIGH</td>
<td>LOW</td>
<td>LOW</td>
<td>MED</td>
<td>MED</td>
<td>LOW</td>
<td>MED</td>
<td>LOW</td>
<td>LOW</td>
</tr>
</tbody>
</table>

Notes: Government instability is classified as low if there has been no presidential crisis, medium if there have been one or two, and high if three presidents were ousted between 1985 and 2013. The average electoral volatility for the period 1990–2011 is measured by the Pedersen index and classified as low if it is less than 35 percent, medium if it is between 35 percent and 48 percent, and high if above 48 percent. Finally, the delegative democracies index classifies countries according to an eight-point scale, which is divided here into low, 0 to 3; medium, 3 to 5; and high, 5 to 8.

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16. Those were the words of the Argentine Ministry of Foreign Affairs during a meeting held in the Inter-American Development Bank in 1991 (ESCUDET, CISNEROS, p. 216).


18. The former have demonstrated more cohesive political elite behavior since the very beginning of the twentieth century, when the conservative oligarchies managed to cooperate and keep workers under control. Thus, it was also in the case of “unitary” actors that the labor movement, initially excluded from politics, radicalized, almost achieving social revolution before bureaucratic-authoritarian coups d’état (O’DONNELL, 1973), as in Brazil in 1964 and Chile in 1973, or bipartisan agreements, as in Colombia in 1958, restored the exclusion of popular sectors and consolidated the control of an always cohesive political elite, the national bourgeoisie, and the military. With cohesive and conservative elites who were determined to repress social protest, Chile and Colombia were, surprisingly, the first countries to implement consistent economic reforms in the 1980s, thereby avoiding great shocks during the Latin American debt crisis. Finally, unitary actors exhibited the aforementioned features in the last decades: executive–legislative relations where more cooperative presidents did not become delegative, while party-system institutionalization remained high and presidential crises were absent.

19. An important contribution of this article has been to overcome theoretical under-specification and allow for replication and testing by developing a more observable account of causal mechanisms determining South American states’ foreign state, as well as Colombia and Uruguay, by doing so through traditional parties, developed a totally different party-system structure and domestic politics dynamic than those countries where labor was incorporated through populist parties – Argentina, Peru, and Venezuela (COLLIER; COLLIER, 1991). Many other historical similarities are also evident among our four “unitary” actors on the one hand and our five “divided” actors on the other.18

A celebrated study on the Latin American Left recently differentiated between Brazil, Chile, and Uruguay on the one hand and Argentina, Bolivia, Ecuador, and Venezuela on the other, in terms not only of their ideological discourse but also of their political institutions and economic policies (LEVITZKY & ROBERTS, 2011). This section has shown that those conclusions could be extended to foreign policy as well.

A qualitative analysis of this neoclassical realist hypothesis

In the first section, this article considered a single variable or condition with which to explain South American foreign policies: national capabilities. A second section amended this simplistic view by adding three more conditions: party-system institutionalization, government stability, and presidential character. This section offers a far more complex understanding of regional politics, considering every other explanatory variable in a comparative test of the paper’s hypothesis.

From an intuitive perspective, the above explanation of South American foreign policies seems to coherently describe the regional subsystem during the three decades of Brazilian unipolarity. However, a detailed and systematic examination of this argument should be undertaken in order to test the internal and external validity of the aforementioned hypothesis. So far, a relationship between the alleged “cause” and “effect” has been detected, but two things are still unknown: whether the presumed cause does temporally precede the effect19 and whether there are alternative explanations for this same phenomenon. A comparative test is conducted here to solve the second of these remaining puzzles.

As is usually the case in IR, the number of cases – the nine South American neighbors of Brazil – is not sufficient to apply statistics. Among the comparative methods for small-N analysis, Fuzzy-set Qualitative Comparative Analysis (fsQCA) also requires more than 25 cases. Therefore, Crisp-set Qualitative Comparative Analysis (csQCA) seems to be the most suitable method to test for alternative hypotheses (RIHOUX; RAGIN, 2009).

Based on Boolean algebra and set theory, csQCA is a simple configurational comparative analysis of dichotomous variables – conditions that are either present or not present – for a small number of cases. If every alternative hypothesis has been introduced to the analysis, then this method compares on a case-by-case basis, giving a solution in terms of an INUS condition – that is, the insufficient but necessary parts of a condition which is itself unnecessary but sufficient to explain a certain outcome. Therefore, if low party-system institutionalization, government instability, and hyperradicalism remain the better configuration for explaining foreign po-
licy when all other explanations are controlled, this would lead us to accept the nonspuriousness of the aforementioned relationship.

The question to be asked is the following: For what other reasons – besides these domestic variables – might Chile, Colombia, and Uruguay have behaved in the aforementioned way? In other words, why have Chile and Colombia integrated their economies with extraregional powers and maintained the highest military budgets in South America? Or why has Uruguay been so unproblematic for Brazil, in comparison with other small states in the region?

There are possible alternative explanations for such behaviors. For example, liberals would argue that regime types, the level of economic interdependence, and the presence of international institutions could affect bilateral cooperation (KEOHANE, 1989). In Table 3 below, these alternative explanatory variables are introduced into a broader test that considers democratic scores (FREEDOM HOUSE, 2014), membership in intergovernmental organizations (IGOs) (SIPRI, 2015), and exports as a share of GDP (WORLD BANK, 2015).

Additionally, since military spending is a dimension of our dependent variable, the power of the military, the existence of latent territorial disputes, and the presence of internal security problems could be said to affect the level of expenditure (ISACSON, 2011). Therefore, the csQCA analysis also considers the relative strength of the military within the Ministry of Defense (PION-BERLIN, 2009, p.580), the number of dormant territorial disputes for each country (MARES, 2001), and the levels of internal violence (UNODC, 2015).

Furthermore, since trade flows – to Brazil – are another dimension of our dependent variable, it could be said that the presence of protectionist interest groups may affect trade volumes. Therefore, the strength of trade unions is introduced to the analysis by considering trade union density and trade union concentration scores (ROBERTS, 2002, p.15; KITSCHELT et al., 2010).

Finally, geopolitical factors like the Pacific or Atlantic orientation of each case as well as its geographical proximity to the United States are also included in the test.

Table 3 contains several alternative responses to the main question posed by this article. However, a csQCA analysis of these conditions presents a “limited diversity” problem since there are too many conditions for too few cases (RIHOUX; RAGIN, 2009, p. 27). Therefore, we proceed with two analyses.

First, we analyze every single alternative hypothesis versus our main hypothesis, including four conditions in each test. When the test is run with the Kirk software (REICHERT; RUBINSON, 2013), the results remain consistent. Government stability, institutionalized party systems, and a constrained president remain necessary conditions for neorealist behavior when any other single explanation is considered. Furthermore, the combination of government instability with low party-system institutionalization and the combination of government instability with hyperpresidentialism are both INUS conditions for foreign policies to be unconcerned with the distribution of material capabilities in the region.

Policy stability and rationale. However, these mechanisms are far from proven. Even if it is well known that a set of South American countries has evolved similarly with regard to their party systems and political economy (FLORES-MACAS, 2012; ROBERTS, 2012), there are contending explanations for these resemblances and the link between these countries’ paths and foreign policy behavior is far from evident. Process-tracing methodology (BEACH; PEDERSEN, 2013) could be used to check for the actual existence of these mechanisms, with each South American country taken as a case study. However, this would be impossible to do within a single article.

20. Conditions (14) exceed the number of cases (9). This makes it impossible to control for every combination of conditions: there are 214=16384 logical possible combinations and therefore 214-9=16375 logical reminders.
However, the disadvantage of this approach is that even if it allows for the rejection of a single alternative hypothesis, it will not be able to discard the possibility that a combination of these factors could also explain neorealist behavior.

### TABLE 3 • Presence or absence of contesting conditions (first test)

<table>
<thead>
<tr>
<th>Condition</th>
<th>ARG</th>
<th>CHI</th>
<th>COL</th>
<th>PER</th>
<th>VEN</th>
<th>BOL</th>
<th>ECU</th>
<th>PAR</th>
<th>URU</th>
</tr>
</thead>
<tbody>
<tr>
<td>Government stability</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Institutionalized party system</td>
<td></td>
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<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Representative president</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Weak trade unionism</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unconstrained military</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Low democratic score</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Limited membership in IGOs</td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inward-oriented economy</td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Member of the Pacific Alliance</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Member of MERCOSUR</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proximity to the United States</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pacific-oriented country</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Internal security concerns</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Many latent disputes</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Realist behavior towards Brazil</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Notes: Government instability, electoral volatility, and delegative democracies data was transformed into dichotomous data to permit csQCA analysis. Countries are considered to have weak trade unionism if they score less than 6.5 in the aforementioned index based on Kenneth Roberts (2002). Countries are considered to have an unconstrained military if they score 2 or less in Pion_Berlin (2009). A low democratic score represents a score of 3 or more in Freedom House’s Freedom in the World index (FREEDOM HOUSE, 2015). Members of 8 or fewer IGOs are considered to have low membership (SIPRI, 2015), and those countries that export less than 30 percent of their GDP are considered inward-oriented (WORLD BANK, 2015). Countries where homicide rates are over 12 deaths for every 100,000 inhabitants are considered to have internal security concerns (UNODC, 2011), and states with 3 or more boundary conflicts are considered to have many latent disputes (MARES, 2001).


Given the fact that a combination of other conditions could still explain the outcome, we proceed with a second analysis, combining all liberal explanations and all military-related explanations into two new categories and testing whether these combined explanations can compete with our main hypothesis.21

When this second test is run with the Kirk software, the results are consistent again. A necessity test shows a “unified elite” – that is, government stability, institutionalized party systems, and representative presi-
dents, combined – as the only necessary condition for neorealist behavior. Because there are zero cases with a unified elite, a strong military, and liberal constraints – that is, the true/true/false configuration is a logical remainder as shown in Table 4 – we cannot be sure that this is a sufficient condition for such behavior. However, the test also shows that a divided elite is a sufficient condition for non-neorealist behavior. In other words, a sufficiency test, when asked for a parsimonious solution, also shows “unified elite” as the unique INUS condition with full consistency and coverage (1.00).

TABLE 4 • Truth table (second test)

<table>
<thead>
<tr>
<th>Unified Elite</th>
<th>Strength of the Military</th>
<th>No Liberal Constraints</th>
<th>N</th>
<th>Cons.</th>
<th>Outcome</th>
<th>Observation Consistent</th>
<th>Observation Inconsistent</th>
</tr>
</thead>
<tbody>
<tr>
<td>True</td>
<td>True</td>
<td>True</td>
<td>1</td>
<td>1.00</td>
<td>True</td>
<td>COL</td>
<td>-</td>
</tr>
<tr>
<td>True</td>
<td>False</td>
<td>True</td>
<td>1</td>
<td>1.00</td>
<td>True</td>
<td>URU</td>
<td>-</td>
</tr>
<tr>
<td>False</td>
<td>True</td>
<td>True</td>
<td>1</td>
<td>0.00</td>
<td>False</td>
<td>VEN</td>
<td>-</td>
</tr>
<tr>
<td>False</td>
<td>False</td>
<td>True</td>
<td>1</td>
<td>0.00</td>
<td>False</td>
<td>BOL</td>
<td>-</td>
</tr>
<tr>
<td>True</td>
<td>True</td>
<td>False</td>
<td>0</td>
<td>n/a</td>
<td>Rem.</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>True</td>
<td>False</td>
<td>False</td>
<td>1</td>
<td>1.00</td>
<td>True</td>
<td>CHI</td>
<td>-</td>
</tr>
<tr>
<td>False</td>
<td>True</td>
<td>False</td>
<td>1</td>
<td>0.00</td>
<td>False</td>
<td>ECU</td>
<td>-</td>
</tr>
<tr>
<td>False</td>
<td>False</td>
<td>False</td>
<td>3</td>
<td>0.00</td>
<td>False</td>
<td>ARG, PER, PAR</td>
<td>-</td>
</tr>
</tbody>
</table>

Notes: For this test the categories government stability, institutionalized party system, and representative president are all combined into the new label “unified elite,” which is positive when at least two of the previous categories were positive too. Applying the same rule, low democratic scores, low IGO membership, and inward-oriented economy are all combined into the category “no liberal constraints.” Finally, all military-related explanations – unconstrained military, internal security concerns, and latent disputes – are combined into one category labeled “strength of the military.”


Conclusion

In recent decades, many have argued that neorealist interpretations of international politics did not apply to South America after democratization. However, this article shows that the balance-of-power logic still applies, though it is filtered by specific domestic constraints.

The paper’s argument has been carefully developed. The first section analyzed the question of whether there are international incentives for secondary regional powers to balance or to bandwagon, reaching the conclusion that ceteris paribus – that is, in the absence of an explicit threat – the distribution of capabilities generates no clear incentives to ally with Brazil. Since Brazil’s primacy is overwhelming – and steadily increasing – there are instead incentives to balance or at least secure military and economic autonomy. For small states, there are incentives to bandwagon with Brazil.

Having identified Chile, Colombia, and Uruguay as consistent neorealist players, the second section arrived at the conclusion that gover-
nment stability, party-system institutionalization, and “representative” presidents – as opposed to delegative presidents or hyperpresidentialism – are necessary to explain neorealist behavior. These findings were tested, in the third section, against alternative hypotheses using csQCA analysis. The results held, showing that government stability, institutionalized party systems, and a constrained president are INUS conditions for explaining foreign policies’ consistency with neorealism.

However, csQCA methods have important shortcomings. First, they do not allow for generalization, which means that these results are valid only for South American international politics from democratization onwards. Second, in the process of dichotomizing independent variables or conditions, much information has been lost. Third, much work still needs to be done to better specify the causal mechanisms connecting the aforementioned conditions with foreign policy making. In this sense, this article is intended simply as a starting point for a debate on how the regional subsystem, together with domestic politics, affects international relations in South America.

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### APPENDIX

TABLE 5 • Raw Data Used in the Article

<table>
<thead>
<tr>
<th></th>
<th>ARG</th>
<th>CHI</th>
<th>COL</th>
<th>PER</th>
<th>VEN</th>
<th>BOL</th>
<th>ECU</th>
<th>PAR</th>
<th>URU</th>
</tr>
</thead>
<tbody>
<tr>
<td>Presidential crises</td>
<td>3</td>
<td>0</td>
<td>0</td>
<td>2</td>
<td>1</td>
<td>3</td>
<td>3</td>
<td>2</td>
<td>0</td>
</tr>
<tr>
<td>Electoral volatility</td>
<td>49.9</td>
<td>29.7</td>
<td>31.1</td>
<td>55.6</td>
<td>53.2</td>
<td>46.7</td>
<td>-</td>
<td>30.8</td>
<td>14.1</td>
</tr>
<tr>
<td>Delegative democracy</td>
<td>6.6</td>
<td>0.5</td>
<td>3</td>
<td>4.5</td>
<td>6.2</td>
<td>2.6</td>
<td>3.9</td>
<td>4.6</td>
<td>0</td>
</tr>
<tr>
<td>Pres. Leg./power (K)*</td>
<td>7</td>
<td>14</td>
<td>11</td>
<td>13</td>
<td>7</td>
<td>5</td>
<td>14</td>
<td>-</td>
<td>6.5</td>
</tr>
<tr>
<td>Pres. party/power (K)</td>
<td>3</td>
<td>1</td>
<td>2</td>
<td>2</td>
<td>3</td>
<td>2</td>
<td>1</td>
<td>-</td>
<td>3</td>
</tr>
<tr>
<td>Military expenditures</td>
<td>0.9</td>
<td>2.1</td>
<td>3.3</td>
<td>1.3</td>
<td>1.0</td>
<td>1.5</td>
<td>3.4</td>
<td>1.8</td>
<td>1.9</td>
</tr>
<tr>
<td>Labor strength</td>
<td>15</td>
<td>7</td>
<td>0.9</td>
<td>7.5</td>
<td>7.9</td>
<td>7.4</td>
<td>2.7</td>
<td>0.9</td>
<td>6.2</td>
</tr>
<tr>
<td>Labor strength (K)</td>
<td>15</td>
<td>7</td>
<td>0.9</td>
<td>7.5</td>
<td>7.9</td>
<td>7.4</td>
<td>2.7</td>
<td>0.9</td>
<td>6.2</td>
</tr>
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<td>IGO memberships</td>
<td>14</td>
<td>10</td>
<td>9</td>
<td>10</td>
<td>9</td>
<td>7</td>
<td>9</td>
<td>8</td>
<td>8</td>
</tr>
<tr>
<td>Freedom House</td>
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<td>3</td>
<td>2</td>
<td>5</td>
<td>3</td>
<td>3</td>
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<td>1</td>
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<tr>
<td>Civil-military control</td>
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<td>3</td>
<td>1</td>
<td>3</td>
<td>3</td>
<td>3</td>
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<td>1</td>
</tr>
<tr>
<td>Exports as % of GDP</td>
<td>20</td>
<td>34</td>
<td>18</td>
<td>26</td>
<td>26</td>
<td>45</td>
<td>31</td>
<td>50</td>
<td>26</td>
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<tr>
<td>Exports to Brazil</td>
<td>20.7</td>
<td>5.5</td>
<td>3.1</td>
<td>6.1</td>
<td>2.2</td>
<td>33.3</td>
<td>4.2</td>
<td>14.2</td>
<td>20.4</td>
</tr>
<tr>
<td>Imports from Brazil</td>
<td>29.5</td>
<td>8.3</td>
<td>5.0</td>
<td>6.4</td>
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<td>18.1</td>
<td>4.5</td>
<td>26.3</td>
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<td>3.5</td>
<td>52.8</td>
<td>17.5</td>
<td>35.3</td>
<td>6.5</td>
<td>17.5</td>
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<td>4</td>
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<td>0</td>
<td>1</td>
</tr>
</tbody>
</table>

*For this indicator, a high value means a low level of presidential power.

Sources: Raw data for the variables used in this article. Sources are listed under tables 1, 2 and 3. "K" stands for data from Kitschelt et al. (2010). For complete references see corresponding figures above.