



Speaking at the annual summit for the **Community of Latin American and Caribbean States**, Mexican president **Andrés Manuel López Obrador** proposed replacing the Washington-based Organization of American States (OAS) with what he called a more independent institution, along the lines of the European Union.

Andrew Lee Davis Blake, a professor from the Department of International Business at **Tecnológico de Monterrey** in [Santa Fe](#), gives his opinion on **the dream of a Latin American Union of States**.

“The OAS came together at the end of the nineteenth century as “an order of peace and justice, to promote their solidarity, to strengthen their collaboration, and to defend their sovereignty, their territorial integrity, and their independence.”

*“López Obrador is suggesting ceasing dependence on and influence from the United States and Canada in favor of greater cultural unity and historical identity between **Latin American and Caribbean countries**,” he explained.*



According to the professor, apart from the fact that this was a protocol speech designed to please the audience more than prove its feasibility, **there are a number of arguments as to why integration of Latin American and Caribbean States beyond regional trade agreements is unlikely.**

*“The idea of economic and political integration among nations, pillars of the **European Union**, go against practically everything AMLO (Andrés Manuel López Obrador) believes in. Free trade, a single external tariff, a single currency, a supranational monetary policy, and a united central bank all reek of neoliberalism; the list goes on and on.*

*“AMLO detests the idea of foreign direct investment, partaking in international business, the objectivity of foreign affairs, the science of economics, and the logic of finance. He loves social justice, cultural bonding and brotherhood, but **these values are not enough to fuel integration and to make it work,**” he says.*

Economic integration requires a strong economy for success

He asserted that **economic integration requires a strong economy for success.**

*“In Walter Mattli’s book, ‘The Logic of Regional Integration,’ the author talks about the importance of having a strong economy as the basis for regional integration to provide stability. **Brazil and Mexico are too instable as staples of steadiness.***

*“Excluding the United States or Canada from the equation **would remove a strong currency.** Stable currencies are a requirement for dependent economies; navigating as a union of states would be a futile exercise with a single unit just as volatile as the previous variants,” he added.*



He also said that **all member states need to be willing to fully integrate**, Colombia has already stated that it is unwilling to be part of a union without the inclusion of the United

States or Canada.

For him, the best examples of regional American and Caribbean integration to date (USMCA, MERCOSUR, and CARICOM) are unable to get beyond being free trade agreements, customs unions, and common markets, respectively.

“Hence the idea of the whole of the **Latin American and Caribbean area becoming an economic or political union through unity of desire being purely wishful thinking.**

“The **key is to give up complete autonomy and agree to cede monetary policy to a central bank**, as well as political control to a supranational constitution; that is highly unlikely to happen,” he stated.

All other agreements are symbolic in nature

He argues that there needs to be steady trade between member states for successful integration of this kind to work. Meaningful regional economic integration in Latin America has only really been achieved where there is considerable trade (USMCA and Mercosur).

*“Practically **all other agreements are symbolic in nature**, representing a tiny proportion of trade in comparison. **A trading bloc of the proposed kind would be unjustifiable in terms of the investment in time and money required to create it.**”*

The professor explains that during negotiations, all member states need to be willing to concede and look for a mutually beneficial agreement. Recent evidence has shown that governments in Latin America have become increasingly dogmatic and unwilling to search for creating solutions.

*“Argentina, Brazil, Chile, Peru, and Colombia, just to name a few, are all **examples of countries with a recent track record of poor diplomatic relations.** Migration problems, disparities of wealth and political extremism all set a climate for conflict-ridden negotiations.*

*“**Meaningful discussions require potential gains for all as a result of the integration;** many countries have too little to benefit and others too little to lose. Again, diplomatic speeches and good intentions are never enough to create meaningful alliances,” he added.*



Finally, Davis Blake says that monetary and political union will demand that member states be required to comply with convergence criteria in order to integrate.

“Respecting limits on economic indicators such inflation, interest rates, and debt (internal and external) would be obligatory for member states.

“Also, political requirements such as maintaining a pluralistic democracy, regular elections, the rule of law, and human rights would also need to be respected. It is doubtful that certain proposed Latin American member states would be willing to comply,” he concluded.

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