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Domestic regimes and national preferences as factors of regionalism's crisis. The case of Guatemala's regional integration policy

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Abstract

The article analyzes the influence of internal factors in the Central American integration crisis, based on Guatemalan politics and from a liberal intergovernmental approach. The results confirm the relationship between national preferences, some alignment with the preferences of partner states, and the results and effects of the process. For Guatemala, integration is an ideational commitment conditioned by the absence of negative externalities for the interests of governments and other key actors. National preferences limited the scope and determined the institutional design. The identity commitment and the creation of regional institutions seem to be insufficient for integration.

Keywords: Latin American regionalism crisis; Central American integration; Guatemalan foreign policy; Guatemalan integration policy.

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Introduction

Central American integration is going through a prolonged period of political and institutional crisis (Santos-Carrillo and Caldentey del Pozo 2022). Its most recent episode was the institutional blockade caused by the disagreement over the appointment of the candidate for Secretary General of the Central American Integration System (SG-SICA) proposed by Nicaragua, a member state that was supposed to hold said position. The situation was unblocked last August with the acceptance of a new Nicaraguan candidate, a form of consensus that guarantees the status quo. This solution is characteristic of the prevailing pragmatism that explains the project's resilience (Parthenay 2020), but it does not solve the problems it has been facing for a long time. However, recurrent crises and pragmatic solutions are not

exclusive to Central American integration. Rather, they are a feature of Latin American regionalism (Agostinis and Nolte 2021; Caetano and Sanahuja 2019; Parthenay and Dabène 2019).

Explanations for these crises are abundant from many perspectives. Most arguments describe a governance crisis that combines systemic issues, both regional and domestic, demonstrating the theoretical fragmentation around regionalism phenomena (Hurrell 1995). Some explanations have been centered around the complexity of international regimes with insufficient levels of interdependence, vulnerability and geopolitical tensions derived from the interaction between the development and autonomy paradigms, the fragmentation and concentration of decisions that characterizes presidential diplomacy, the absence of leadership and the weakness of institutions (Carranza 2003; Malamud 2005; Gómez Mera 2005; 2015; Bizzozero 2011; Malamud and Gardini 2012; Weiffen et al., 2013; Mijares and Nolte 2018; Nolte and Schenoni 2021; Nolte 2021; Passini Mariano et al. 2021a; Santos-Carrillo 2023).

Specific studies that analyze the role of integration in the foreign policy of member states are less numerous and focus on a few cases, all of them in South America (Cervo 2003; Bernal-Meza 2008; Saraiva 2010; Pastrana Buelvas 2010; Vigevani and Ramazzini Junior 2011; Giacalone 2012; Passini Mariano et al. 2021b). In these studies, crisis factors are presented as the result of combining national interests with external capacities and geopolitical constraints.

Following this line of research, to reduce the gap of knowledge between Latin American regionalisms, we analyze Guatemala's foreign policy on integration asking ourselves to what extent it helps understand the crisis of the integration process. We argue that domestic factors had a decisive effect. The absence of foreign policy's coherence on integration, the type of regime and the inviable nature of state structures undermined the development of the regional project once the phase of constitution was finished and the convergence of policies was blocked.

For such, we used a liberal intergovernmentalism (LI) theoretical framework, combining ideas from international political economics with liberal and institutionalist theories of international relations (Moravcsik 1993; 1998). Unlike the case of South American regionalism studies, for which some works discard its applicability due to its non-conformity to its main formulation (Malamud 2015), we found robust evidence indicating the existence of a determined social demand for integration in the Central American case. The institutional change represented by the creation of SICA was a response to preferences of Central American and transnational economic groups to reactivate the Central American Common Market (MCAA), as well as the preferences of part of civil society which saw the process as a necessary political framework to consolidate peace processes and promote democracy (Aitkenhead 2004; Segovia 2005; Guerra-Borges 2006, 212). However, this consensus seems to have disappeared over time.

Based on the systematization of primary and secondary sources, obtained from interviews with experts, literature, and available documentation in the Guatemalan foreign ministry and SICA, we propose an analysis framework that studies the process from the formation of national preferences to the materialization of positions within SICA. First, we provide the historical and theoretical context for our analysis, reviewing Guatemala's political evolution and understanding Guatemala's

foreign policy on integration as a two-level game that operates in a regional intergovernmental regime. Next, we present our methodological proposal, which consists of selecting and applying a set of indicators from the three stages defined by LI (the formation of national preferences, intergovernmental negotiation and the materialization of commitments in regional institutions) on some of the main agreements that took place over time. We then analyze the evidence and discuss its scope and significance.

Liberal Intergovernmentalism and Central American Regionalism

The IL is one of the most respected regional integration theories due to its ability to explain the main trends in regional cooperation. It is based on three premises: the existence of a national preference for integration, due to interdependence resulting from transnational exchanges; the centrality of states as actors in an international context of anarchy; and the relatively rational behavior of states as agents seeking to maximize their utility (Moravcsik 1993, 480-481; Moravcsik and Schimmelfennig 2018). In a typical double-level logic (Putnam 1988), cooperation between states follows a three-stage process. States first define their national preferences through plural aggregation of interests that take place in their domestic institutions. IL views the state as a unitary actor that represents and aggregates the preferences of social groups, including that of the government. The formation of regional preferences in one direction or another will depend on a strategic calculation related to power and pressure from power groups on domestic institutions. This tension determines whether the dominant interests and actors in the configuration of preferences are economic or geopolitical. They then seek to achieve their objectives and reconcile through intergovernmental negotiation, ruling out the delegation of authority in common bodies. Given that national preferences rarely converge, states must negotiate the distribution of benefits and costs to reach a cooperation agreement. The weight of conflicting interests and the bargaining power of each state determine the negotiation outcome. The intergovernmental agreement is then materialized in commitments through the establishment and design of regional institutions that facilitate its implementation. LI theory is supported by neoliberal institutionalism, and it sees institutions as instruments serving states to facilitate cooperation, ensure coordination, and address externalities. Institutions formalize commitments, reduce transaction costs, and distribute information. Designs will vary depending on the relevance of the distributive, compliance, and uncertainty problems related to the behavior of actors involved and the state of the world (Koremenos et al. 2021, Voeten 2019, Sommerer et al. 2021). Therefore, LI theory understands integration as an international policy coordination regime, deeper and more institutionalized depending on whether it provides greater benefits or satisfies national preferences.

The greatest critique on IL comes mainly from institutionalists and constructivist scholars. The former questions LI's skepticism about the autonomous and causal role of institutions in favor of governments and national interests, overlooking the influence of processes such

as everyday normative production or the impact of institutional arrangements on state behavior during negotiations and decision making on institutional arrangements consolidated historically (Kleine and Pollack 2018; Pierson 2016). From ideational positions, it questions the formation of national preferences, prioritizing interests and utilities over national identity issues, or disregarding the influence of domestic political regimes. Both the existence of diffuse social identities and the restriction of plural participation undermine the quality and the representativeness of the interests that determine national preferences, which has a decisive impact on the outcomes of negotiations. In any case, LI is open to synthesis with institutionalist and ideational explanations of integration that share its assumption of states as limited rational actors (Schimmelfennig 2018). The relationship between regionalism and liberal democracy is a complex one. Nonetheless, the issues regarding coherence and viability of states pose a drawback for cooperation (Hurrell 1995). A minor criticism, more recent and focused on the evolution of the European experience, comes from what has been called the new intergovernmentalism (Bickerton et al. 2015). This approach suggests that the influence of domestic political dynamics in shaping national preferences goes beyond the aggregation of sectoral interests. Aspects such as legitimacy, representation or the articulation of plural interests are very important. In other words, we would be talking about a true state policy. However, what happens when there is no state policy or when the social actors is not the one to determine the positions of the states? This old critique of liberal intergovernmentalism is still very much present when looking at cases outside Europe (Wincott 1995).

LI's arguments show potential with respect to Latin American regionalism if we focus on their more determining features. They are processes that develop within a democratic framework where states seek to achieve strategic goals through intergovernmental negotiation via institutions under their control. These traits remained intact in the new regionalism, both in open regionalism and post-hegemonic regionalism, although the multidimensional scope and expectations of forming customs unions reveal the need to centralize competences and delegate certain authority to regional bodies. However, LI has not been used as a common framework for analysis because it does not offer empirically demonstrable explanations of the phenomenon as a whole. According to some authors, Latin American regionalism is better explained as projects arising from the political will of governments rather than national preferences, due to insufficient levels of interdependence and high politicization (Malamud 2003; Dabène 2012). In general, rejection of the most influential theoretical frameworks, due to their close connection with the European case, enjoys significant consensus among Latin American regionalism scholars. Its fragmentation, overlap and flexibility, fostered by the resistance to sharing sovereignty, would distance it from any frame of reference. In fact, the discussion about its nature and scope is open today in aspects such as sovereignty and the need to include more pluralistic views (Legler 2013; Lubbock and Vivares 2022; Malamud 2022). This debate mostly limits itself to the South American cases, excluding Central America and the Caribbean.

The Central American case presents a different context that encourages study, particularly in the stage of national preferences formation. The region had since the 1960s an institutionalized regional market that created important dynamics of interdependence, until the generalization of armed conflict in the 1980s (Pellandra and Fuentes 2011). The pacification of the region opened a process of democratic transition and fostered the appropriate environment for the restoration of regional trade and the promotion of a new multidimensional development framework (Martí i Puig, S. and Sánchez-Ancochea 2014; Caldentey del Pozo 2014). With structural adjustment policies and facing globalizing pressures as mechanisms for economic uniformity and modernization, Central American and transnational business groups hastened to resume their regional activities (Segovia 2005).

Although the process was led by presidential summits established since Esquipulas, it was driven by demand, and economic groups undertook regionalization, with an agenda defined based on neoliberal principles (Centro Latinoamericano para la Competitividad y el Desarrollo Sostenible and Harvard Institute for International Development 1999; Colburn and Sánchez 2000). The rapid recovery of intraregional trade and its advances in terms of standard unification, trade facilitation, and opening through the signing of free trade agreements supports this argument. Central America is the only region that managed to sign free trade agreements with the United States and the European Union (Rueda Junquera 2014), and its intraregional market is currently the second most important for Central America as a whole, serving as an export platform for many small and medium-sized enterprises (Martínez Piva 2019: 117).

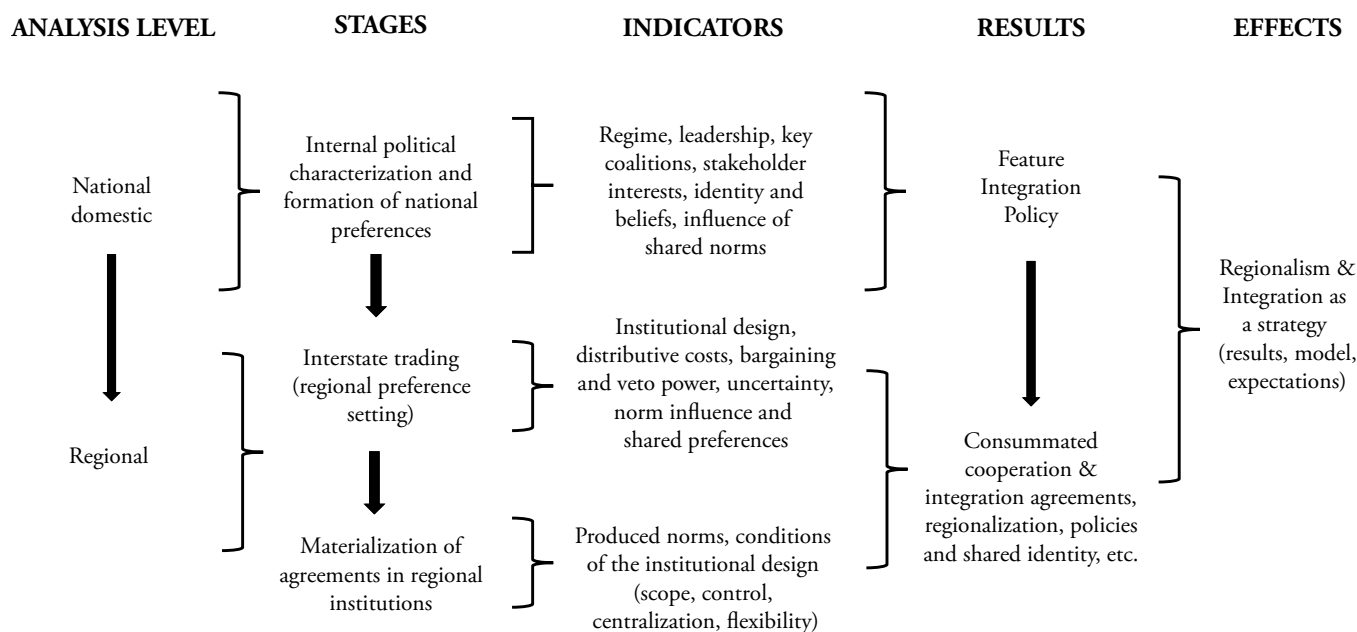
Other emerging non-governmental actors during the peace process, although of lesser political weight, took advantage of the democratizing conjuncture to expand the scope of interstate negotiation, incorporating the dimensions of security, environmental, and social integrationist agenda (Santos-Carrillo 2013). However, the new institutional framework, SICA, maintained control of the process and political legitimation in the hands of states with a tight intergovernmental design. Subsequent institutional reforms have not been significant nor modified this pattern. Rather they have strengthened it, as shown by the intergovernmental cooptation of the Executive Committee and the bureaucratic structures' election procedures. Therefore, unlike the South American cases, Central American integration presents elements that seem to justify the analysis from an IL position. However, the further evolution of domestic regimes in many of the member states, such as Guatemala, led to scenarios that offer reasons to review this position, mainly because the deterioration of democracy made the preferences of civil society groups disappear.

Methodological Proposal

Our methodological proposal is based on the IL, but it incorporates institutionalist and ideational elements. It presents a double-level process: national and regional; and three stages: characterization of internal politics and formation of national preferences, interstate negotiation, and materialization

of agreements in regional instances. In each stage, a series of indicators is identified whose interaction allows us to infer the results and effect throughout the process. The study period goes from the reactivation of 1991 to the present moment, selecting contingent and significant processes related to strategic decisions and the daily agenda of regional policies, echoing the criticism received by the LI.

Figure 1. Analysis framework of integration policy in Guatemala.



Source: own elaboration based on LI (Moravcsik 1993; 1998).

The first stage characterizes the domestic political regime and analyzes the establishment of national preferences regarding integration. The selected indicators provide information about external conditions, the interests and utilities of participating actors, particularly governments but also their identities and the influence of norms and institutions on their behavior. Because it is closely related to sovereignty and has less social pressure, foreign policy grants leadership and greater autonomy to governments for its definition. They will be favorable to integration to the extent that they do not generate negative externalities (Moravcsik 1998, 28). The result of this first stage is the establishment of the country's foreign policy on integration throughout the process.

In the stages that make up the regional level, negotiation and the materialization of agreements based on national preferences takes place. The depth of the agreements will determine the nature of the regime, whether it is cooperation or integration, and will serve as a catalyst for regionalization processes in different areas. Indicators give us information on regional preferences of states that aspire to reach regional cooperation in contrast to the most decisive aspects of negotiation, such

as the institutional designs of the negotiation spaces, distributive costs, the bargaining power of each state, or uncertainty about compliance or the state of the world.

Finally, once the agreement is reached, states materialize cooperation within institutions created and designed for this purpose. The design of regional institutions and their dynamics play a decisive role in the production and implementation of agreed norms and rules. Regional institutions vary substantially in their design, reflecting the will, concerns, and capacity of states to fulfill established commitments (Koremenos et al. 2001). However, once they come into play, they can also influence and alter the behavior of states, due to the mutually constitutive nature between norms and identity of the actors (Checkel 2001; 2016). In our case study, we focus on the performance of Guatemalan governments in SICA institutions, using indicators related to norm production, participation of national bureaucracies, and other aspects of institutional design, such as control in decision-making, delegation of authority, or flexibility regarding non-compliance with norms or the emergence of unforeseen circumstances impacting agreements.

Taken together, the process proposed by our analytical framework allows us to relate national integration preferences to the outcomes and effects of the model, as well as to the varying degrees of success and raised expectations. Ultimately, it provides perspective on the casual factors of regionalism crises.

Analysis and Discussion

Characterization of internal politics and the formation of national preferences

The current political regime in Guatemala is the product of the transition initiated with the peace processes of the mid-1980s, which established democracy and a new development model throughout the region (Martí-Puig and Sánchez-Ancochea 2014). The signing of the peace agreement in 1996 represents the acceptance of this new framework for coexistence, which also included the reactivation of the integrationist project. Three decades later, this revolution without revolutionary changes (Torres-Rivas 2011) shows obvious signs of exhaustion in all its dimensions. In the case of Guatemala, the deterioration of democracy has been intense, to the point of placing it at the lowest levels in Latin America. This is the result of the persistence of authoritarian enclaves and groups with veto power and the ability to act on very weak representative institutions (González 2014, 400), with serious deficits in the functioning of the representative government, government control and accountability, or impartiality in the performance of administration (International Institute for Democracy and Electoral Assistance 2022, 31; Freedom House 2022).

On the other hand, the new development mode that spread throughout the region, largely due to the structural impact generated in the previous decade by the MCCA (Bulmer-Thomas 1989), consisted of replacing the state-export agriculture axis with a neoliberal regime based on exports, the emergence of new manufacturing and service sectors, and remittances (Martí-Puig

and Sánchez-Ancochea 2014, 4). Adjustment policies were implemented in 1989 during Vinicio Cerezo's government and were consolidated in 1993 with the Modernization Program and the subsequent constitutional reform of 1994, which prohibited the Bank of Guatemala from granting any type of financing to the state. This neoliberal approach was taken to the extreme during the subsequent governments and has remained unchanged to this day, shaping an exclusive capitalism tailored to the elites, with a weakened state without the capacity to promote redistributive policies or to unify society (Guerra-Borges 2006; Segovia 2021, 79; Instituto Centroamericano de Estudios Fiscales 2021). Thus, the political arrangements devised by the political and economic elites, the army, the large traditional family consortiums and the emerging, even unorthodox ones, disseminated a narrative of phobia towards the state in order to exercise control over it for their own benefit (Fuentes Knight 2022).

In this context, the interests of governments and actors representing these groups capitalized national preferences on integration. Business chambers have exercised significant bargaining and veto power in defense of their privileged positions in the internal market, which lacks competition law. Regarding integration, they adopt a predominantly instrumental view, being very active in the establishment of government positions due to their increasingly transnational nature (Segovia 2005; Bull et al. 2014). In their actions and position documents, they defend a strictly economic model of integration based on the elimination of barriers to free trade, without delegation of authority to common regional institutions, with the goal of greater international insertion (Sánchez 2000). Actors such as the Coordinating Committee of Agricultural, Commercial, Industrial, and Financial Associations (CACIF), or the more recent Business Commission for International Negotiations and Trade (CENCIT), have been very influential in policy formulation in key ministries, the Ministry of Economy, the Ministry of Finance, and the Ministries of Agriculture and Foreign Affairs. Their influence has been traditionally exercised in platforms that restrict debate such as the National Commission for international negotiations (CONEI) or the National Council for the promotion of Exports (CONAPEX) both within the Ministry of Economy.

Another area of influence of economic actors is the Consultative Committee on Economic Integration (CCIE), which takes advantage of the location of the Central American Economic Integration Secretariat (SIECA) in Guatemala to gather their lobbying actions. Key actors, such as the Parliament or political parties, have generally been uninterested or even on the sidelines of the process. Other actors, such as civil organizations, multinationals, national bureaucracies, or trade unions have influenced unevenly, although they generally end up converging with the interest of economic power groups, either through corporate association, social ties, or political irrelevance. In particular, the dependence of political parties on private financing ended up reinforcing business vetoes (Herrarte 2012), distancing their interests from integration. At some points there were participation initiatives, as in the case of the National Chapter of SICA Advisory Committee, but its institutional weakness and the disconnection of the process by most participants led to its disappearance.

This framework of political intermediation was very present and decisive in establishing the preferences of all governments during the period. Not one of these governments managed to formulate a real public policy on integration guided by national interest. A review of the actions and general guidelines in foreign policy formulated in all government programs and strategic planning, corroborated and nuanced by experts, shows a consistent continuity in terms of integration. The idea of integration appears as a commitment subscribed for all governments but lacks a specific strategic vision beyond dependence on the process. Neither programs nor government action have integration as a frame of reference, despite the increase in regional regulation in areas such as commerce. There are specific spaces for monitoring in foreign affairs and economy ministries, but their activity only becomes relevant during *pro tempore* presidencies. Government interests have revolved around internal political legitimization, the consolidation of the neoliberal model, trade facilitation and a reduced intergovernmental institutional framework that allows regulated cooperation in certain policies and conjunctural contexts, such as security, disaster prevention, migration or institutional reform. Some episodes, such as the confrontation with traditional economic groups in the Portillo government or the rhetoric push for integration by the Colom government, opened windows of opportunity for a change of course that did not materialize.

In other cases, impositions from the international agenda consolidated these preferences, such as the rapid signing of the free trade agreement with the United States (CAFTA) and the start of negotiations for the Association Agreement (AdA) with the European Union (EU), both under the Berger government, which attended the Summit of the Americas in Mar de Plata as a defender of the Free Trade Area of the Americas (ALCA). Both the signing of the Framework Convention for the Subscription of the Customs Union (CMUA) and the signing of the AdA, under the Colom government, respond to this position of openness and international insertion. Although the CMUA involves unwanted elements of political integration, its approval followed a propaganda strategy aimed at promoting integration in order to strengthen Central American countries' positions *vis-à-vis* the AdA negotiations.

There is, however, no empirical evidence showing political consensus around this agenda. The presidential mandate presents a roadmap for progress on the customs union but does not envisage binding commitments and focuses on a long-term agenda on trade facilitation, leaving institution building for a hypothetical last phase. Once these objectives of the international insertion agenda were achieved, interest in integration has been dissipating in a context of constant deterioration of domestic politics. The government programs of Perez, Morales and Giammattei relegated integration to mere mention of commitment, and have been characterized by a very critical position towards SICA, which resulted in inaction and institutional distancing. The Morales government raised the refoundation of SICA as a priority in 2018, to, according to their vision, adapt it to the needs and objectives of the region's countries. The Giammattei government, for its part, made a public call to lawmakers to reform or close the Central American Parliament, also based in Guatemala. In this sense, it is illustrative that the main national strategic development

initiative of the last governments, the K'atun National Development Plan: Our Guatemala 2032, barely references integration.

Interstate Negotiation

Interstate negotiations between Central American states take place mainly in the summits of presidents and the councils of ministers of SICA. They are characterized by the unanimous defense of intergovernmental mechanisms, which favors the maintenance of national preferences but reduces the scope of cooperation. The preferences of member states often find points of convergence in trade negotiations but face insurmountable obstacles to solving distribution or compliance problems. The consensus rule that dominates the decision-making process and the absence of powerful leadership penalizes divergent preferences and provides obstacles for the advancement of agendas that provide high distributive costs. Often, these consensus produce contradictions and incoherence between member states regarding constitutive agreements. Also, this situation limits the production of binding norms, making difficult for institutions to influence the behavior of states or to resolve deadlocks. The most recent episode around the election of the Secretary General illustrates this tendency of inertia regarding the lack of mechanisms for conflict resolution.

On the other hand, SICA's multidimensional architecture, organized in sectoral secretariats with their own bureaucracy, tends to generate parallel policy agendas that are endorsed by presidents, but then do not find the support or commitment of governments (Santos-Carrillo and Caldentey del Pozo 2022), making them a mirage. The objectives of these agendas are often not part of national preferences due to several factors. On the one hand, the beneficiary social groups do not have sufficient political influence over governments. On the other hand, they have high potential distributional costs for governments. Finally, SICA bodies do not have the political capacity to orchestrate beneficiary groups to exert pressure on their governments.

Guatemala's negotiating power within SICA is relevant. As a founding member, the country is the largest in size and the largest economy in the MCAA, one of the countries in the region that has benefited the most from intraregional trade (Martínez Piva 2019). Guatemala's positions have traditionally been strong and have maintained continuity over time, but they are limited to a small number of topics, as can be seen in their pro tempore presidency reports. Facilitating trade, security, and institutional reform have typically been on their agenda. In situations of disagreement, Guatemala has opted for pragmatism and maintenance of institutional status quo, but has also looked for alternatives both inside and outside of SICA. Its historic alliance with the United States and its closeness to Mexico provide extra-regional solutions in free trade, security, and migration. Regarding trade, its supposed commitment to the Central American customs union did not prevent it from signing free trade agreements with Mexico in 2000, the United States in 2004, Colombia in 2007, or Chile in 2010. This was also the case in other initiatives with regional implications and overlapping commitments in SICA, such as the Plan

Puebla Panama-Mesoamerica Project or recent agreements with the United States on security and migration. In all of these cases there are coincidences with the preferences of partners. But its materialization within SICA could be the cause of potential distributive conflicts, uncertainty due to non-compliance and distrust in the face of deterioration of domestic politics in almost the entire region.

However, regional governance made some agreements possible during these three decades regarding economic integration, demonstrating that progress is possible in scenarios where national preferences converge and transaction costs are not high. The subscription of strategic agreements such as the CMUA and the AdA and the convergence of the customs union are notable. In the first two cases, negotiation brought to light some problems that eroded national preferences. The signature of the CMUA was a strategic decision regarding the AdA Negotiations that did not imply high costs for Central American states and provided a better negotiating position to attract economic resources from the cooperation pillar. The commitment establishes a gradual implementation over three stages: trade facilitation, normative modernization and convergence, and institutional development. So far, progress in the first two stages is still insufficient, while the stage of institutional development remains distant (Martínez Piva 2019). Since 2015, Guatemalan governments have promoted the euphemistically called “Deep Integration Process” with Honduras and El Salvador, a project that responds to national preferences by focusing on trade facilitation and the free movement of people and goods using existing intergovernmental mechanisms (Cordero 2017). The AdA also had to overcome initial reluctance to some of the European demands for greater integration. Aspects such as negotiation as a bloc, participation of civil society, ratification of the Investment and Trade in Services Treaty (stalled since its signing in 2000), or the inclusion of Panama in the framework of economic integration highlighted that the preferred option of the governments did not align with the idea of integration held by Europeans. Negotiations brought to light aspects that eroded national preferences, particularly in the political pillar, where European demands such as the establishment of the democratic clause or a greater commitment to human rights were rejected (Balbis 2007).

National preferences of the Central American states also converged showing indifference to negotiations that implied a positive integration agenda. Guatemala’s position regarding regional development strategies, such as the Alliance for Sustainable Development (ALIDES) in 1994, or the relaunch of integration in 2010, has been ambiguous. These agendas remained alive whilst the international cooperation support lasted, although they almost never passed the formulation phase. Guatemala has been reluctant to participate in fundamental organs such as the Central American Court of Justice, where it has not yet been incorporated. Trade facilitation is undoubtedly the one aspect with greatest consensus and dynamism. The support of economic actors and business groups make it practically the only policy with continuity and validity.

In regards to security, Colom’s government promoted the Central American Security Strategy (ESCA) within the framework of SICA, leading to the International Support Conference that brought together practically all of the regions’ partners, but with ultimately unsuccessful results.

Subsequent Guatemalan governments preferred to return to a bilateral framework with the United States and Mexico to redefine their security strategy, leaving ESCA as a mere space for regional cooperation that was greatly weakened after the withdrawal of international cooperation. Other less relevant agendas reached modest agreements, as is the case of fishing common policy and the joint mechanisms for medicine purchase. In the latter, Guatemala remained in the background due to the veto imposed by private pharmaceutical operators.

Regarding the institutional reform of SICA, as early as 1997, governments have been demanding reform based on rationalizing the number of bodies and decision-making processes. Specifically, and according to the minutes, reports of the pro tempore presidencies, and other public documents from the Ministry of Foreign Affairs, the position of the Guatemalan government favored reforms that reduced the number and size of regional institutions and strengthened intergovernmental mechanisms for decision-making, evaluation, and effectiveness. The ultimate goal is to reduce funding for regional institutions and turn financial resources from international cooperation into a source of financing for national programs. Although there is a certain degree of consensus among the member states, issues such as systemic coordination, financial sustainability, and the repositioning of integration on the political agenda of the member states are insurmountable obstacles so far. All of these issues have registered some type of systemic reform initiative without success. The lack of a strategic position regarding the aspired institutional model and its consequences limits the capacity to reach the necessary consensus.

The regional agendas that have any progress come with high levels of consensus between the actors involved, limited regulation and some level of alignment with national programs, as well as funding from cooperation agents. Therefore, they do not imply costs or behavior changes for governments.

Implementation of regional agreements

Considering the limitations in the scope of national preferences and SICA's institutional design, its normative production has not been significant. The closure of treaties, the volume of presidential mandates, and the increasing number of legal and regional policy instruments suggest the existence of important consensuses regarding the strategic role of integration and the preferred integration model, but its projection has been limited to regional institutionality, which runs the risk of becoming an end in itself. In recent years, the institutional strengthening of SICA has presented improvements in the internal processes of normative production, with the Councils of Economy and Health being the most productive, coinciding with the advances in trade facilitation policy and the Covid-19 pandemic (PEN 2021, 131-146). However, a deeper observation reveals the effectiveness problems that hinder the process and the passivity of the member states to solve them. First, difficulties in the materialization of treaties and the challenge of some member state regarding principal organs generate skepticism. Presidential mandates, on the other hand, have no response or concrete actions, which hinders their execution. According to the SICA website,

there are mandates from 2009 that are still in progress, most of which are related to legal, political, and institutional matters. On the other hand, of the thirty regional policy instruments cataloged as valid by SG-SICA in 2022, only ten were being implemented with funding from international cooperation and only three had contributions from member states. In fact, financial sustainability is one of SICA's main problems, both due to its scarcity and the concentration in a limited number of themes and secretariats. Although it is known that states do not comply with the committed quotas, there is no information available in this regard. Finally, about the production of normative legal instruments, the vast majority of them are intended for the system's own organs, without binding character for the member states (PEN 2021,131).

Presidential mandates are subject to multiple rounds of negotiation within intergovernmental councils, where consensus voting is required, until they take legal form as regulations. Government control over the process is usually decisive. Political factors, such as changes in government, can modify positions with respect to previous agreements and establish vetoes over the initial agreement. Other common factors that hinder the materialization of agreements are related to the weakness of regional bodies such as the lack of funding for program implementation, the absence of delegated authority, excessive flexibility in compliance, or the inability to orchestrate the interest of the actors involved, particularly those who can participate in the national preferences.

Collaboration and coordination between bureaucracies are also important parts of the normative process. The absence of coordination norms and subsidiarity generates important obstacles for regional agendas as observed in trade facilitation policies. Guatemala has traditionally had significant participation of national officials and non-governmental actors in the process, along with El Salvador, making it the country with the greatest presence in SICA. This political capital is, however, limited by structural deficits as the absence of a career path for civil servants and the volatility of their positions, as well as the lack of sustainability of organs and regional programs. All the above are examples of inefficacy, given they are unable to generate continuity for regional bureaucracy in charge of the agendas. Governments in these past decades showed no interest in building bureaucratic structures with the capacity to develop a regional agenda that surpasses conjunctures.

In summary, the effective, transparent and legally secure implementation of agreements presents serious deficiencies related to weaknesses in an institutional design based on intergovernmental control, decentralization in decision-making, and certain flexibility in the face of non-compliance and lack of results. Negotiations on institutional reform did not reach the necessary consensus, so governments seem to have opted for risk controlling pragmatism allowing them to maintain sovereignty over decisions. All of it evidence the existence of disinterest by governments and conflicts at times where agreements must be implemented, as well as a lack of system capacities to enforce said agreements.

Conclusion

Our analysis of Guatemala's foreign policy regarding integration in the terms of IL contributes to understand the nature and scope of the Central American integration crisis, showing a clear relation between domestic factors and results and effects of the process. National preferences conditioned interstate negotiations and determined institutional design, whilst regional institutions only slightly influenced the behavior of states and did not contribute significantly to the regionalization of policy. State-intergovernmental control prevented the production of norms aiming to strengthen this process.

The results suggest that Guatemala lacks a defined state policy regarding integration. However, governments' pattern of behavior allows us to observe a series of preferences. Integration is a shared ideational commitment but it is limited by the maintenance of control over sovereignty, economic and commercial interests of certain social groups, and geopolitical constraints. It is a normative framework for economic integration based on the lowest common denominator, with policies on trade facilitation without delegation of authority to regional bodies and intergovernmental political cooperation, but not a strategic objective involving all actors and powers of the state. Rather, it is shown as a contingent policy, path dependent and subject to the interest of the current government and the groups that support it. Both use integration as a rhetorical tool for internal legitimacy, the defense of privileges with little costs and SICA as a space of opportunity for rent-seeking from international cooperation programs. This explains why the status quo strategy is privileged.

We have defended the relevance of the IL approach to the Central American case based on the existence of an initial integration demand that explains the constitutive commitments. However, national preferences changed as a neoliberal state model was consolidated, whose interests moved away from the institutional supply and led to a mismatch between the demand and supply of integration. This narrative was aligned with the rest of the member states, which explains the consensus reached in the negotiations of the main agendas and the maintenance of an unproductive institutional framework. Given that these preferences were already present during the period of the foundational treaties, the enigma lies in recognizing the reasons why incoherent accords were concluded from the beginning.

Finally, the IL model has weaknesses when it comes to explaining how these changes in preferences affect regional institutions and what solutions or reforms are in sight to avoid a crisis. On the other hand, the concept of national preferences encounters acceptance problems when applied to states with structural political deficits that prevent plural participation in the establishment of politics. From a liberal approach, state viability appears as a necessary requirement for regionalism. Our research encourages a deeper study of Latin American delegative democracies as potential factors of regionalism crisis.

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