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CROSS-BORDER PARADIPLOMACY IN MERCOSUR: A CRITICAL OVERVIEW

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ABSTRACT: This article aims at critically analyzing cross-border paradiplomacy in MERCOSUR. MERCOSUR's process constitutes a strategic sphere of projection for local, border governments with a certain level of capabilities in project design, management, and accountability. The process of integration of MERCOSUR has attempted to reflect the importance of cross-border integration. Nevertheless, the current Subgroup N. 18 on border integration could limit the expressions of cross-border paradiplomacy.

KEYWORDS: borders, paradiplomacy, MERCOSUR

PARADIPLOMACIA TRANSFRONTEIRIÇA NO MERCOSUL: UMA VISÃO CRÍTICA

RESUMO: O presente artigo visa analisar criticamente a paradiplomacia transfronteiriça no Mercosul. O processo do Mercosul constitui uma esfera estratégica de projeção para os governos locais e fronteiriços com um certo nível de capacidades em desenho de projeto, gestão e prestação de contas. O processo de integração do Mercosul tem tentado refletir a importância da integração transfronteiriça. No entanto, o atual Subgrupo nº 18 sobre integração fronteiriça pode limitar as expressões da paradiplomacia transfronteiriça.

PALAVRAS-CHAVE: fronteiras, paradiplomacia, Mercosul

Introduction

This article aims at critically analyzing cross-border paradiplomacy in MERCOSUR. It is understood that MERCOSUR constitutes a strategic sphere of projection for local, border governments with a certain level of capabilities in

project design, management, and accountability. Effective cross-border paradiplomacy combines a sound institutional space within regional organisms (through 'top-down' processes) and structural capacities of local governments and other actors (to implement 'bottom-up' strategies).

The 'beyond trade' institutional redesign of MERCOSUR, initiated in the early 2000s, sought to advance a social and economic development agenda, implementing alternative or autonomous political projects toward what was identified as post-hegemonic or post-neoliberal regionalism (RIGGIROZZI and TUSSIE, 2012). Among its many changes, the reinventive or resilient historical character of MERCOSUR (presented during the last fifteen years) begot an institutional opening to the participation of subnational actors (such as municipalities, provinces, departments, and federated states), which needed and demanded a more democratic arena to attempt reaching higher levels of economic and social development within cooperative or integrative projects.

The development and diffusion of cross-border paradiplomacy – understood as the strategic alliance between subnational players and contiguous territories to reinforce regional integration processes – have become a highly relevant challenge in MERCOSUR. Regional integration and cross-border governance enhance the role of paradiplomacy. Specialists resort to the term paradiplomacy when they need to analyze, theorize, and explain the new phenomenon of international participation of local authorities and other sub-state entities. Paradiplomacy can be thus understood as a kind of democratization of foreign policy, since it identifies needs and interests at distinct levels of nation-states (ODDONE and RODRÍGUEZ VÁZQUEZ, 2015).

Within such a context, cross-border paradiplomacy gained relevance, as did the possible contributions to MERCOSUR as a relevant institutional sphere for local, border developments. Success in cross-border paradiplomacy in MERCOSUR will be tangible when the Southern Cone is able to create borders as nodes of functional development for the attainment of peace, a goal that can be materialized only if strategies of preventive paradiplomacy are followed (ODDONE and RODRÍGUEZ VÁZQUEZ, 2015).

To advance our analysis, this article will be divided in four parts. First, we will analyze previous MERCOSUR's bodies and frameworks dedicated to the

exercise of paradiplomacy of border governments. Second, we will address the issue of structural requirements for the engendering of paradiplomacy by border actors. The third part will be dedicated to the critical analysis on how cross-border paradiplomacy can contribute to the 'resetting' of MERCOSUR. The last section will explore the latest proposition of the Merco-regions, developed within the scope of the Work Subgroup No. 18 on border integration. Concluding remarks will close this investigation.

1 MERCOSUR institutions for local, border governments

The early role played by the independent network of municipalities 'Red Mercociudades', created in 1995 in approximating subnational entities to Mercosur provided a place for dialogue among Mercosurian municipalities, highlighting their needs and roles *vis-à-vis* the process of regional cooperation and integration. This regional network, however, was not created within the institutional scope of MERCOSUR (VENTURA and FONSECA, 2012). Subnational entities and governments were, at that time, only at the margins of regional cooperation and integration processes, not being acknowledged as key actors within MERCOSUR and neither within their respective national frameworks. Higher was then the merit of Mercociudades in promoting institutional building able to connect local and regional within MERCOSUR (RHI-SAUSI and ODDONE, 2011).

The timid incorporation of paradiplomacy into internal discussions and institutional structures of MERCOSUR through the creation of the Border Integration *Ad Hoc* Group (BIAHG), in 2002, presented new opportunities and challenges for both the regional organization and local, border governments. Despite its difficulties in moving forward the agenda on local development of border regions, failing to resolve on the creation of a border statute, and the unsuitable top-down approach to the matter, excluding border municipalities of negotiations (MATIUZZI DE SOUZA, 2016), the BIAHG called attention to the role of MERCOSUR as a strategic sphere of projection for local, border governments. The Parties' recognition of the need to further formal cross-border

cooperation was a major step towards making MERCOSUR a relevant forum for reinforcing the international role of border communities and hence cross-border paradiplomacy. The mimetic, summit-like, intergovernmental character of the BIAHG did not, however, enable the group to establish a perennial confluence for subnational entities. On the contrary, it persisted in focusing on macro-perspectives to promote regional goods and thus was not able to apply another approach to the territorial dimension of the organization.

The demise of the BIAHG did not bury the project of bringing subnational entities into MERCOSUR's formal institutionality. The idea that it would be more effective to develop border regions together found great acceptance among its members, achieving the political convergence required for the establishment of the Advisory Forum of Municipalities, Federated States, Provinces, and Departments of Mercosur (FCCR). At the December 2004 Belo Horizonte Summit, the Common Market Council (CMC) decided to create the FCCR, constituted by representatives of the different local and regional instances designated by States Parties. The resolution had set forth that a Committee of Municipalities and a Committee of Federated States, Provinces and Departments would form the Consultative Forum[1].

The Resolution 26/07 of the Common Market Group (GMC) approved the Internal Regulation of the FCCR on September 27, 2007. FCCR became the "representative body of the local governments of the MERCOSUR States Parties" (Article 1), constituted by "a Committee of the Municipalities and a Committee of the Federated States, Provinces and Departments" (Article 3). The FCCR, based on its Committees, and within the framework of integration, should then promote a shared vision on territorial development, by promoting balanced development, environmental sustainability and social cohesion, considering particularities of border areas.

[1] Its genesic Decision 41/04 set the FCCR's objective: "to stimulate dialogue and cooperation between municipal, state, provincial and departmental authorities, and two MERCOSUR States Parties". Article 4 of the document indicated its institutional capabilities: "it may propose measures aimed at coordinating policies to promote well-being and improve the quality of life of the inhabitants of the Municipalities, Federated States, Provinces and Departments of the region as well as make recommendations through the Common Market Group".

While the Municipalities Committee was not founded *ex nihilo*, but under incessant societal pressure by Mercociudades, the Federated Units Committee was lobbied for by the governments of Argentina and Brazil to incorporate their respective states and provinces without the revindication of such entities (SADECK *et al*., 2017). The birth of the FCCR represented, in other words, the constant overlapping of interests and actors of Mercosurian members. Building a regional body to accommodate subnational governments that differ in juridical nature, scale, objectives, and perceptions of what factors to prioritize in the development of paradiplomacy could potentially hinder the projection of border municipalities and their agenda of cross-border cooperation.

Although with a rough framework to take in such a diverse set of perceptions of integration, cooperation, and consequently paradiplomacy, for the first time MERCOSUR formally included local actors into its integrative and cooperative processes, establishing fora that not only congregated the variety of governments of subnational units, but also, by the writing of recommendations to the Common Market Group (CMC), aimed at aligning their demands with the on-going inter-state projects. Without denying the importance of dialogue and of local public policies favouring cooperation and integration, the advisory nature of the FCCR neglected the possibility to implement the actual participation of subnational unites in the decision-making process of MERCOSUR.

Not surprisingly, the Border Integration Work Group (GTIF) created in the scope of the FCCR to develop a local-level perspective of MERCOSUR able to influence society towards promoting formal cross-border paradiplomacy has suffered numerous setbacks. GTIF managed to identify and define, in its first years, the main issues concerning border communities and the ones hindering cross-border paradiplomacy. Intra-MERCOSUR communication, however, posed a serious problem for linking centralized demands of border governments to higher levels of decision-making, even revealing the lack of exchange among the bodies of the regional organization (MATIUZZI DE SOUZA, 2016). Also, as Sadeck, Froio, and Medeiros (2017) pinpoint, the complex and confused structure of the FCCR, its attempt to give legitimate space for different subnational actors, and strong divergences related to project financing and legislation changes, complicated the execution of border integration plans. From

15 planned actions, only two were successfully executed, two are on the process of implementation, and the remaining 11 are inactive. Nonetheless, the relevance of the GTIF is found by its capacity to bring more visibility to the issues surrounding cross-border paradiplomacy as well as to the myriad of everyday matters affected by policymaking and by internalized decisions from MERCOSUR. Border and cross-border interactions gained more dimensions in the political processes of region-building. Cross-border paradiplomacy, in turn, has ceased to be in latent obliteration to become another aspect to examine in the construction of a regional project in MERCOSUR.

Within the scope of GTIF, the Spanish Agency for International Cooperation for Development (AECID) funded the 'Border Integration in MERCOSUR' project (IFM) (2008-2011). This project sought to define lines of action for the design and management of public policies for cross-border integration and cooperation, since it diagnosed and identified problems in the border territories, officiating as an input to the different institutional bodies of MERCOSUR and especially the FCCR. The specific objectives were, on the one hand, the systematization of the diagnoses and investigations of the problems of border integration; and on the other hand, the consultation of local actors for the preparation of proposals on border issues, with priority given to productive integration, social inclusion and the treatment of regional asymmetries (AECID-FCCR, 2008). The AECID's 'MERCOSUR Regional Program' continued to pay attention and to support border cooperation, implementing the 'Border Governance Project' within the IFM. The Border Governance Project - Strengthening the Capacities of MERCOSUR's Departmental and Local Governments (2011-2013) focused on the training of officials from MERCOSUR's twin towns and neighboring provinces, departments, and states (AECID-FCCR, 2011).

The articulation of the GTIF with the Work Group on Productive Integration (GTIP) within the FCCR framework has been however relatively weak. It would be interesting to consider the development of studies on productive complementarity, strategic alliances for access to markets, promotion of joint economic infrastructure, technical assistance to intermediary structures of entrepreneurial services, creation of new financial instruments, and strengthening

of decentralization processes, among other issues that could contribute to the construction of a new socio-economic-spatial vision of MERCOSUR that allows a cross-linking between border regions and productive sectors to stimulate the creation of cross-border value chains.

Within the first 2013-2014 Action Plan, approved by Decision CMC 54/12, MERCOSUR prioritized the following strategies: (1) to articulate cooperation actions between subnational and local border actors; (2) to support the development of border legislation and to encourage its implementation; (3) to reactivate the Border Integration Working Group; (4) to define the strategic agenda of the MERCOSUR Structural Convergence Fund (FOCEM) for border areas; (5) to accompany and validate the cooperation project on border governance with the AECID; and (6) to create opportunities for the integrated development of public policies for traditional and Afro-descendant communities in border areas (Dec. CMC 54/12).

Such strategies can be considered a top-down response, albeit incomplete, to some structural restrictions of cross-border paradiplomacy. The sluggishness of Action Plan's implementation processes due to international and national politico-economic instabilities are also a problem for the advance of a para-diplomatic agenda and for a sound configuration of MERCOSUR as a sphere of action for local, cross-border actors.

2 Structural requirements for cross-border paradiplomacy in MERCOSUR

In the early days of the regional organization, Pebayle (1993, p. 224) had already recognized that the border regions of MERCOSUR were too distant "from the attractive and motivating megalopolis not to suffer from a process of peripheral underdevelopment". This condition had persisted along many phases of MERCOSUR due to the oblivion state in which border areas had been placed regarding the advance of public policies, particularly between its foundation (1991) until the early 2000s. The borders of MERCOSUR, in that period, were understood basically as obstacles to free trade and required to have integrated systems to lower transportation and customs costs (FERRARO, 2013). The reinvention of MERCOSUR, besides implementing alternative spaces (cf.

RIGGIROZZI and TUSSIE, 2012) – many of which acknowledging or furthering the exercise of paradiplomacy – also fostered a positive social agenda, particularly towards cooperative projects (MATIUZZI DE SOUZA and CULPI, 2016).

The confluence of an institutional sphere for action and political will of systemic actors meant, for local, border actors, an opportunity to engender cross-border paradiplomacy. But while institutional space is a key factor to the progression of paradiplomacy within regional organizations' frameworks, local actors are also required to have structural capabilities to implement paradiplomacy with efficacy and efficiency[2]. Considering the limited influence of subnational actors within the margins of the State (KEATING, 2000), cross-border paradiplomacy becomes even more dependent on the ability of local actors to furthering their agenda despite institutional constraints.

Rótulo and Damiani (2010, p. 26), by analyzing the institutional space for local, border actors within the scope of the New Agenda for Border Cooperation and Development bilateral cooperation framework engendered by Brazil and Uruguay, highlight the persisting necessity of suitable local institutional capacity to properly manage a para-diplomatic, cooperative agenda. The authors point out that neither local administrations nor private actors involved in the development of cross-border cooperation presented a satisfactory 'stock of capacities', particularly of human resources, work infrastructure, and financial capabilities.

Poverty is evident in Mercosurian border regions. Underdevelopment, low degree of public services institutionality, insufficient infrastructure of health, sanitation, education, and transportation are among the basic characteristics of all border regions of the organization's Parties. The meagerness in the delivery of public services characterizes both a hindrance to paradiplomacy and a feature to be utilized by local governments. Frequently, the inadequacy of paradiplomacy infrastructure (such as the lack of an international relations office) diverges with municipalities' interests in building relations with their neighboring town.

[2] Efficacy is here understood as the ability to achieve goals and objectives proposed. Efficiency refers to the ability of solving problems and surpassing obstacles on the way (cf. GRINDLE, 1997).

With high dependence on agricultural production and (trans-)local commerce, border regions rely on the financial aid of central governments as well as on social programs developed specifically for border communities. Apart from a few larger towns, such as Santana do Livramento (BR) and Riveira (UY), Foz do Iguaçu (BR), Ciudad del Este (PR) and Puerto Iguazu (AR), Uruguaiana (BR) and Passo de Los Libres (AR), human resources are scarce as are the possibilities of education. Hence, to engage capacitated personnel for engendering paradiplomacy, which usually requires knowledge on national and international administrative frameworks, on funding systems, on international law, and on many other related fields becomes highly problematic.

Considering all structural issues, it is not uncommon that cross-border paradiplomacy finds its way through the construction of informal channels of communication comprising of amicable and/or familial interactions, which are used to deal with specific, *ad hoc* questions emerging from the constant interrelation among border populations. The restrictions of this informalized *modus operandi* and the conspicuous structural limitations of border governments entail a more profound change in the cooperative and integrative processes of MERCOSUR, a change capable of reorganizing the framework of regional relations.

3 Possible contributions of cross-border paradiplomacy to MERCOSUR: resetting the process

Despite the obvious structural limitations of border actors, cross-border paradiplomacy indeed offers an opportunity to alter functioning characteristics of MERCOSUR. By focusing on the objective of "'resetting', restarting, updating the paradigm of cross-border governance, advancing proposals on new institutions (formal and informal) that serve to build new agendas, which will allow us to better understand the European border territories in the first quarter of the 21st century", as developed by Enrique Varela Álvarez (2015, p. 64), one can discuss possible contributions of cross-border paradiplomacy to MERCOSUR.

One of the novel ways in which the simultaneous processes of associativity and interterritorial competition has been manifested is formal or functional

conformation of regional joint development management schemes, in a bi-national or cross-border context (WONG-GONZÁLEZ, 2015). To be associated internationally, municipalities must be able to mobilize resources into achieving concrete objectives. Regional integration processes often provide specific motivations for involvement and international participation of subnational units, while concomitantly form specific areas for the exercise of paradiplomacy. As we have seen in the case of MERCOSUR, regional integration and the development of multi-level cross-border governance stimulated an increasing role of paradiplomacy.

According to Oddone, among the greatest risks for paradiplomacy, is the difficulty of identifying an "endogenous or endo-oriented paradiplomatic profile" (2016, p. 263). Border communities, through participatory processes, must build that endogenous profile based on their political economy and, above all, on their symbolic capacity, which will allow them to position themselves as a macro- or micro-region, depending on a scale that is easily identifiable, recognizable and cohesive as an indivisible territorial unit. To achieve this, it will be necessary, in most cases, to move from functional links to those of a more formal (or *de jure*) nature.

Non-central governments can contribute to the definition of a cross-border governance and development agenda within MERCOSUR. Cross-border paradiplomacy, enhanced by the respective national decentralization processes, seeks to avoid duplication on either side of the border. As Kramsh and Mamadouh (2003, p. 42) have pointed out, "borders and border regions are not going to be mere objects of the forces operating at high spatial scales, but will be active sites themselves for re-theorizing the fundamental aspects of political life, adding value across a range of geographic spaces".

The development of processes of regional integration derives from the interaction of two complementary dimensions: (1) a dimension that starts 'from above', promoted by national institutions, especially at the highest level, presidents or heads of government; and (2) a dimension that starts 'from below', in which the main actors are subnational institutions, intermediate and local governments, and political, social and economic actors of the territories. The

consolidation of both dimensions enables the advancement of regional integration processes.

The local dimension is thus fundamental to governing processes of integration 'from below', as those that are verified daily in border areas. In such zones, the role of local and regional authorities is considered crucial and irreplaceable for several reasons. First, local authorities are endowed with strong democratic legitimacy. Municipalities are the basis of the democratic life of a region, where the direct election of intendants or mayors contributes to the local representation being legitimized through the created channels of participation. Hence, municipalities can adopt a creative role in the design of new public policy responses based on the intimate knowledge of local realities and needs. South American municipalities are called to enhance their role both as *civitas* and as *polis* (RHI-SAUSI and ODDONE, 2009). It is very likely thus that new constructions of citizenship may be derived in the long term from cross-border cooperation (see KRAMSH and MAMADOUH, 2003; FERRERA and MAINO, 2010; NADALUTTI, 2014).

Second, subnational authorities show more sensitivity regarding border integration, which derives from the demand of daily confrontation of the *limes effect* that characterizes their territories, considering that "each actor, each local scale, is the point of intersection between forces, and therefore a point of potential resistance to any way of acting or thinking, or a point of organization and promulgation of different or opposing programs" (ROSE and MILLER, 1992, p. 192). Although local and regional authorities are often characterized by low capacity for proposition, they represent an important force in channeling or eventually blocking ongoing processes. Cross-border cooperation processes sustain and support border integration and regional integration among national states when the latter recognize the autonomy of the sub-national units that form the main axes of the different dynamics of territorial cooperation. Consequently, their participation in initiatives on their territory is essential to ensure effectiveness, as proven by the experience of the European Union. The management of cross-border issues is probably one of the main European contributions to the institutional framework of integration (COLETTI, 2009).

4 Work Subgroup No. 18 on border integration and the proposal of 'Merco-regions'

During the XLVI extraordinary meeting of the Common Market Group, MERCOSUR approved the creation of Work Subgroup No. 18 on Border Integration (SGT No. 18). In the framework of the Pro Tempore Presidency of Uruguay, the first regular meeting of Work Subgroup was held on May 19 and 20, 2016. SGT No. 18, in accordance with Resolution GMC No. 59/15, is to be coordinated by the Ministries of Foreign Affairs of the States Parties and constituted by a titular member and an alternate member (MERCOSUR, 2015).

Acknowledging the multidimensionality of the border agenda, the Subgroup will articulate other bodies and forums working on specific border-related issues coordinated by the Common Market Council (CMC). For instance, the Consultation and Political Concertation Forum (FCCP); The Meeting of Ministers of Agriculture (RMA); The Meeting of Ministers of Education (RME); The Meeting of Ministers of the Interior (RMI); and the Meeting of Ministers of Health (RMS). Likewise, it will also dialogue with other bodies coordinated by the GMC, such as the FCCR; SGT No. 1 (Communications); SGT No. 5 (Transportation); SGT No. 11 (Health); the Specialized Meeting of MERCOSUR Cooperatives; and the Economic-Social Consultative Forum and Technical Committee No. 2 (Customs Affairs), coordinated by the MERCOSUR Trade Commission (CCM). SGT No. 18 will also be able to establish commissions and sub-commissions, as it deems necessary for its operation (MERCOSUR, 2015).

The creation of this Work Subgroup once again opens an opportunity to reactivate the Brazilian proposal for an 'Agreement for the Promotion of Border Integration' that seeks to create regions of cross-border cooperation in MERCOSUR, called Merco-regions (MERCOSUR, 2015). The functions of the Merco-regions is to carry out joint actions with a view to improving the quality of public health services, education, social assistance, economic promotion and transit of people these services are rendered in the border localities (Article 2). Likewise, "each of the States Parties is committed to facilitate and to promote cross-border cooperation between communities and territorial authorities within its jurisdiction and the communities and territorial authorities over the jurisdiction of counterparts" (Article 3). This article presents a very important possibility of

innovation for MERCOSUR territorial cooperation, that of "each party will make the necessary efforts to promote the conclusion of agreements and conventions that are necessary to develop such services, with due attention to the different Constitutional provisions of each of the Parties".

In Article 4 of the Agreement proposal, an understanding of cross-border cooperation is made explicit, which could be understood as an interpretation of cross-border cooperation for the whole of the regional organization. It affirms that "cross-border cooperation means any concerted action to strengthen and promote neighborly relations between communities or territorial authorities over the jurisdiction of two or more Parties and with the conclusion of any agreement or arrangement necessary for the attainment of such end". In this sense, Article 4 supports formal conformation and not only functional articulation of Merco-regions. Article 5 clarifies that 'communities or territorial authorities' are understood as intendants, mayors, and governors serving both at local *and* regional functions, indirectly ratifying the function of cross-border paradiplomacy for the establishment of links that will sustain the Merco-regions.

Finally, Article 6 determines that Merco-regions will be established through international acts of States Parties with the participation of non-central governments located in the territory of each region. The international act of foundation recognized in the proposal is to be constituted through the formation of a public consortium formed by the subnational entities of each region – a group of the type of the border's intermunicipal consortium (CIF)[3]. In case of

[3] The cross-border articulation of the Intermunicipal Frontier Consortiums (CIF) was born within the scope of the Public Consortia Law No. 11.107 / 2005. The legal basis of the Public Consortia Law is directly linked to constitutional amendment No. 19/1998 which amended the wording of Art. 241 of the National Constitution in the following terms: "The Union, the States, the Federal District and the Municipalities shall be disciplined through the Public Consortia Law and the cooperation agreements between Federated Entities, authorizing the associated management of public services, either with the total or partial transfer of their responsibilities, services, personnel and goods essential for the continuity of the services transferred". "The Public Consortia Law is, essentially, a new intergovernmental management tool that enables greater articulation of initiatives and public policies between different spheres of government". This instrument still has some limitations that need to be mentioned since the protocols of intent for consortia must be approved by the respective legislative houses of each of the participating units, that is, law must ratify them. At the same time, this mechanism allows the obligations agreed upon by the signatory rulers to become legal obligations of the federal unit consortium. On the other hand, Brazilian legislation does not allow the participation of foreign consortiums in public consortia, but from the outset, alternative schemes have been sought to be able to associate with their neighboring foreign counterparts. The first cross-border CIF appears in 2009 between the Brazilian municipalities of Barracão and Bom Jesus do Sul, in the State of Paraná, Dionísio Cerqueira in Santa Catarina and the municipality of Bernardo de Irigoyen, in the province of Misiones, Argentina (LOSADA and SADECK, 2015).

controversies, they should be subject to the dispute resolution mechanism of MERCOSUR (Article 7).

The agreement proposition does not clarify how Merco-regions would enable the construction of further cooperation arrangements. It only highlights the facilitation and promotion of cooperation by the States Parties (MATIUZZI DE SOUZA, 2016). Furthermore, by attempting to include the whole institutionality of MERCOSUR by means of articulation (which has shown to be a problematic role for Mercosurian bodies) and by not finding innovative ways to strengthen autonomy of local governments and to further social cohesion in such impoverished areas, SGT No. 18 could limit the expressions of cross-border paradiplomacy.

Concluding remarks

For the most part of its existence, MERCOSUR rested on the expansion of the commercial economic axis to new centers of action for integration. Nevertheless, the regional organization still lacks a common understanding of cross-border paradiplomacy. Cross-border paradiplomacy policies are vitally important in addressing territorial dynamics and in alleviating regional imbalances and asymmetries by stimulating social cohesion and generating human capital in the most neglected areas of integration. As a result, cross-border cooperation and cross-border regions can “represent specific forms of innovation in relation to space, places and scales” (JESSOP, 2002, p. 37), which Grimson (2001) would call territoriality with generalized hybridization. Because of this experimental characteristic, it is understood that cross-border cooperation can also contribute to the process of the ‘mercosurization’ of public policies both at local and trans-local or transnational level.

The need to ‘mercosurize’ public policies of the States Parties to stimulate multilevel governance is a key issue in terms of identifying citizenship with the MERCOSUR’s regional integration process. The pending task is to identify and systematize issues on the agenda of local public management (demands in a sense of bottom up decentralization) which would allow the implementation of bottom-up development and integration processes capable of strengthening

municipal autonomy, division of powers, and the principle of subsidiarity, while at the same time creating new foundations and stimuli for the regional integration processes and their need to favor greater social cohesion and territorial cooperation. This activity also impels the importance of recognizing and promoting the improvement of existing institutional bodies and the creation of new spaces for 'the local' within MERCOSUR. The low level of incorporation of the MERCOSUR legislation by the national legislatures (transposition) can be relativized from a potentiation of the mercosurization process at the local level as has been demonstrated from the range of activities developed by Mercociudades (ODDONE, 2008).

One of the main objectives of 'reseting' MERCOSUR would be to build a common space for productive development and social welfare. However, the development of solidarity tools for the reduction of asymmetries has not been able to be fully based on technical and cohesive criteria that allow the generation of new development poles within countries, as well as between them in border areas. This question reflects, in some ways, the ever-present weight of the traditional intergovernmentalism in MERCOSUR. As Paikin and Vázquez (2008, p. 226) affirm, it is worth remembering that "MERCOSUR emerged as a safeguard of state centralism rather than as a solvent of that power, and even today, this scheme seems far from cracking".

The post-neoliberal cycle of MERCOSUR that has just ended permitted the visibility of the territorial agenda (and hence of borders) in MERCOSUR. Nevertheless, this visibility had not been translated into profound structural changes in the social and economic border environments, let alone in the possibility of 'resetting' regional integration. The construction of an agenda agreed upon by the public sector, private actors, and the epistemic community of MERCOSUR is synthesized in the discussion and support of a series of analytical perspectives on the disposition, concentration, and dispersion of productive factors in the bloc, the need for exclusive funds to reduce border asymmetries, the mercosurization of multilevel public policies, and the definition of border governance for MERCOSUR.

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