Chile-Bolivia-Peru: The New Challenges Facing Integration

By Claudio Fuentes and Paz Milet
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Summary

Chile, Bolivia & Peru: Integration Presents New Challenges
Claudio Fuentes & Paz Milet

One of the primary challenges Chile’s foreign policy-makers must address is how to more closely integrate Chile with its neighbors. In the past few years, the governments of Chile, Peru and Bolivia have put forth the political will to move towards closer ties, principally in the economic sense. Nonetheless, certain political and socio-cultural enmities have prevented greater integration. This is the context in which the question is asked: is it possible to think of some sort of security arrangement between Bolivia, Chile and Peru in the near future?

In this work, the assumption is made that the establishment of a tri-national security agenda is impossible without first resolving some central issues, which will be elaborated in detail. From this perspective, a series of proposals are developed featuring confidence-building measures such as the establishment of mechanisms promoting greater understanding, academic dialogue, measures designed to promote modernization and a sub-regional balance in military strength, and making defense policy explicit, among others.
I. Introduction

Our goal in this work is to attempt to answer a basic question: Is it possible to think of some form of a security arrangement between Bolivia, Chile and Peru in the near future?

A central tenet that guides our recommendations is that it is not possible to establish a tri-national security agenda without first resolving some core issues that affect the relationships between each one of the countries. This does not imply a passive attitude, i.e. that one must wait until these issues that hinder or affect relations are resolved before making progress in other matters. In the area of security, it is essential to march forward with constant, coordinated, and above all, coherent steps with the final, desired objective of peace.

In this way, we believe that now is the time to work on a resolution to these obstacles. The establishment of confidence-building measures in the region can occur if it is implemented simultaneously and at an acceptable pace for each country. This process must meet at least five basic conditions: a gradual pace, transparency, predictability (trustworthiness), reciprocity (equilibrium) and adequate channels of communication.

The recommendations given earlier reinforce a central theme that should guide our analysis, which is that relations between states are framed in a historical context that greatly influences their current status. If one or more of the actors involved wish to break the existing status quo, the modification or transformation of their relations implies either the political will to
form a policy of rapprochement and cooperation (which also implies patience and consistency), or the risk of a conflict.

This work is divided into three parts. In the first, the main characteristics of the regional situation are reviewed. In the second part, the principal milestones marking the relations of Chile with Bolivia and Peru are considered. Finally, the subject of confidence-building measures is tackled. This approach has been taken because we believe that our interpretation of political, economic, social and cultural relations is indelibly linked to the possibility of establishing or promoting confidence-building measures. In other words, confidence-building measures are the result of a previous political dialogue between two or more states.

II. The Regional Situation

The regional situation is in a state of constant transformation; our analysis reveals the following trends:

Growing Interdependence

Since the era of the import substitution industrialization model that has predominated in our continent for the majority of the 20th century, the region has strengthened its economic, political, social and cultural links. These links translate into a greater exchange of people, goods and services between the countries.

A Heterogeneous Integration Process

The process of economic integration is not homogenous and does not equally benefit all the countries and people involved. There are countries in the region that still do not receive the benefits of integration. Additionally, among those countries that have started this process, acute differences exist between those people who obtain immediate benefits from integration and those for whom integration has not changed anything.
A Heterogeneous Mix of Involved Actors

Integration is not guided or controlled by governments. A variety of actors intervene in the process. On the one hand, governments try to establish certain guidelines, but on the other hand (and perhaps with more dynamism), businesses and other economic actors are also interested in generating commerce between countries.

Greater Interdependence has not Led to the Elimination of Conflicts

Although cooperation in the region has been a trend in the 1990s, this does not imply an automatic reduction in conflicts, tensions and risks. In many cases, the process of cooperation runs parallel to a series of conflicts inherited from the past.

Interdependence Results in New Challenges

A central theme is that even though this new interdependence generates new opportunities for dialogue and a reduction of the perception of threats, it also implies the necessity of anticipating and foreseeing the creation of new risks, caused by the greater scope of interactions. Among other things, narcotrafficking, migration, the environment and the extraction of resources in border areas are challenges that will require new coordinated responses from governments.

The Necessary Conditions for Regional Security

The international security problems in the region are characterized by at least four central factors: first, in most countries of the region, the structure of the military is configured to respond to potential conflicts with neighbors. Second, the diverse sub-regional situation creates a map of diverse issues and different historical ways of resolving them. Third, the United States is in itself a salient topic due to the magnitude of its economic, military and political influence in the region. Finally, the existing pan-American institutional framework has not fulfilled the purpose for which it was created. This has happened for a variety of reasons, one of the primary ones being the hegemonic weight of the United States in the context of the Cold War.

In short, the region is within a dynamic international system, in which interdependence and globalization have a greater weight upon the relations between states. This system values multilateralism, but maintains aspects of the traditional international system (border conflicts, regional hegemons, the differences between development and underdevelopment, etc.).
III. The Relations of Chile with Bolivia and Peru in the 1990’s

One of the priorities of the two past administrations of the Concert of Parties for Democracy\(^1\) has been to strengthen ties with the other Latin American countries, particularly neighboring countries. In the words of Minister of Foreign Affairs José Miguel Insulza, the current process of integration has become a central strategic element of stable relations with Chile’s neighbors. This means pursuing the objective of “fortifying stable and transparent relations with our neighbors, rather than maintaining a precarious equilibrium that is under the constant threat of tensions along the borders with Argentina, Peru and Bolivia.”\(^2\)

The growing process of integration is superimposed by a legacy of distrust among these countries, given the mindset of rivalry under which their relations have operated in the past. It is in this framework that it can be subsequently shown that the relations of Chile with Bolivia and

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1 Popularity known as *La Concertación*, this is a coalition of center-left political parties in Chile.
Peru also reveal the presence of two parallel agendas. One is economic, which has resulted in a series of rapprochements and growth in bilateral commerce. The second is historic, where certain issues inherited from the past persist. Although an agenda that puts a greater focus on economic topics has prevailed in the last few years, in practice, the persistence of those historical controversies has made a greater level of integration impossible. Examples of this include the failure to pass the Lima Conventions and the absence of diplomatic relations between Chile and Bolivia.

1. Chile-Bolivia Relations

Without a doubt, what has primarily characterized relations between Chile and Bolivia has been the issue of Bolivia’s access to the Pacific Ocean. The two countries’ positions on this subject have been permanently in opposition to each other. Bolivia proposes that it should have a sovereign outlet to the Pacific Ocean, which implies recuperating, in a fashion, the land lost in the War of the Pacific and revising the Treaty of 1904. Chile, for its part, rules out any transfer of territory and states that access to the Pacific can be granted through port, road, and economic facilities that give Bolivia access to northern Chilean ports. This has been the consistent position taken by different Chilean foreign policy-makers in the past few administrations. In May 1991, Ex-Minister of Foreign Affairs Enrique Silva Cimma stated that the issue of Bolivian access to the ocean could be resolved with “the road between Arica and La Paz, the construction of silos, the withdrawal of visas [as required documentation to cross the border], the construction of gas pipelines, the opening up of new mountain passes, an increase in commerce and an improvement in train services.” In turn, the current Minister, José Miguel Insulza, has proposed similar actions in the sense that infrastructure and services must be improved so that Bolivia can have access to the ocean, but that a transfer of territory is not being considered.

Figure 1

Chilean Commerce with Bolivia
(Millions of US$)

<table>
<thead>
<tr>
<th></th>
<th>1995</th>
<th>1996</th>
<th>January - July</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>1996</td>
<td>1997</td>
</tr>
<tr>
<td>Exports</td>
<td>196.9</td>
<td>207.9</td>
<td>116.0</td>
</tr>
<tr>
<td>Imports</td>
<td>24.7</td>
<td>35.9</td>
<td>18.8</td>
</tr>
<tr>
<td>Total Commerce</td>
<td>221.6</td>
<td>243.8</td>
<td>134.8</td>
</tr>
</tbody>
</table>

Source: Central Bank of Chile, Indicators of International Commerce, July 1997.

This government position is generally shared by Chilean public opinion. However, one must mention the suggestion Sergio Bitar, a Senator from the Party for Democracy, who has suggested that a service corridor should be granted to Bolivia on the border between Chile and Peru. Nevertheless, this suggestion is limited by a general feeling in the country [Chile] of not giving any concessions on the sovereignty issue, and Peru’s position is that this is a bilateral issue between Bolivia and Chile and that it should be resolved without its intervention.

A precedent to this situation occurred in 1975, when Presidents Banzer and Pinochet met in Charaña. The Chilean Government offered an exchange of land, giving Bolivia a corridor on the northern edge of Arica, but Peru refused to accept this concession, since according to the Complementary Protocol of the Treaty of 1929, territories that at one time belonged to Peru cannot be ceded to a third party without an agreement between Chile and that country on the matter.

The issue of Bolivia’s access to the sea is the main source of discussion between Bolivians and Chileans. It prevents the reestablishment of diplomatic relations and the strengthening of economic ties. At the same time, however, the bilateral relationship between these two countries is constantly nuanced by other incidents, which provoke other sources of disagreement between Bolivia and Chile.

**Territorial**

This can include the Bolivian demand for sovereign access to the sea as well as constant accusations of changes to border markers, the appropriation of water from the Silala River, etc.

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**Figure 2**

**Chilean Investment in Bolivia**

**1995-1996**

(Millions of US$)

<table>
<thead>
<tr>
<th>Sector</th>
<th>1995</th>
<th>1996</th>
</tr>
</thead>
<tbody>
<tr>
<td>Industry</td>
<td>57</td>
<td>21</td>
</tr>
<tr>
<td>Financial Services</td>
<td>23</td>
<td>2</td>
</tr>
<tr>
<td>Other Services</td>
<td>63</td>
<td>39</td>
</tr>
<tr>
<td>Agribusiness*</td>
<td>8</td>
<td>16</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>151</strong></td>
<td><strong>78</strong></td>
</tr>
</tbody>
</table>

* Includes fruit-growing, forestry, cattle farming

**Source:** Office of Chilean Economic Affairs in Bolivia.
Economic

This type of disagreement includes, for example, the accusation that the balance of trade excessively favors Chile and the constraints that the access to the sea issue puts on progress towards a free trade agreement. Other issues are the annoyance some groups in Bolivia feel toward the increasing amount of Chilean investments in their country and mutual accusations of discrimination. Chileans complain that they are not permitted to participate in the privatization of certain industries considered strategic by the Bolivians, and the Bolivians in turn argue that they are not permitted to acquire land, real estate or industrial facilities in cities near the Bolivian border. In this matter, Chile has begun to take a few steps, such as with the Arica Law, that will allow citizens from bordering countries to acquire apartments in that city, and the port concessions law (EMPORCHI law) will permit foreigners to take part in companies that are building docking stations in the ports of Arica and Iquique.

Political-Cultural

The attitudes concerning the bilateral relationship vary substantially depending on which people are in charge of foreign policy in each of the countries. This results in constant progress and regression in relations depending on the political situation in each country. For example, recently a certain amount of tension has existed between the governments in La Paz and Santiago due to statements made by some of President Sanchez de Lozada’s cabinet-members. According to analysts from both countries, these declarations were motivated by the pre-electoral climate.

Additionally, it is not a mystery to anyone that a mutually negative perception of the other exists on both sides. In Chile, the persisting image is of Bolivia as a poor, unstable country that is backward and has poor prospects. In Bolivia, for its part, there probably exists an image of Chile as an arrogant nation, untrustworthy and economically greedy. More than a century since the War of the Pacific, a cultural feeling of rivalry, not cooperation, persists between the two peoples.

2. Chile-Peru Relations

With Peru there is also this double-agenda that has been discussed. In the last five years, the level of commerce between the two nations has substantially increased. Currently, Peru is the second-highest recipient of Chilean foreign investment. Nevertheless, progress has been unobtainable in certain areas related to the Treaty of 1929, specifically in the clauses of Article Five, which refer to the administration of facilities granted by Chile for the service of Peru.

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4For more see Francisco Orrego Vicuña, “Chile y Bolivia: En búsqueda de un entendimiento no territorial,” In: Cono Sur, FLACSO-Chile, September-October, 1990.
Although both governments have been willing to reach a solution in this matter, the Peruvian government rejected the Lima Conventions, which had been ratified for this purpose. The reasons given for this are varied. For some analysts, the rejection of the Conventions reflects a permanent division within Peruvian society concerning Chile. According the Chilean analyst José Rodríguez Elizondo, three clearly distinguishable sectors exist in Peru: two minority viewpoints in opposition and a fluctuating and defining center position.

“On one side exists a minority that is clearly and severely vindictive, for whom it is vital to maintain an “open window” that would justify, when the balance of military force permits, the recuperation of the lost territory of the patrimony. The unresolved clauses of the Treaty of 1929 fulfill this function, and therefore, nothing will convince this minority to contribute towards the approval of a formal settlement.

“...the opposite minority states that it is anachronistic to keep hoping for a military reprisal, since given the socioeconomic state of the country and global interdependence, there will never be any real meaning in a victory, in a new war between Peru and Chile. This minority, that cannot risk being labeled as Chile-philes, is primary composed of the higher socioeconomic levels of society and the most lucid part of the intelligentsia.

“...the great central block of the nation fluctuates between both minorities, depending on the situation, the strength of conviction of each minority and the means they use. In periods of tranquility, this favors the second minority, not due to the influence of Chile but because to the obvious weight of rationality. However, times of tension can favor the first ultranationalist minority, given the advantages they have in exploiting the aggressive feelings in the community.”  

This division within Peruvian society, which is also reflected in that country’s Congress, has probably had a significant influence on the rejection of the Lima Conventions. Despite having a majority in Congress, President Fujimori was not certain that the Conventions would be approved by the legislators. Both among the opposition parties and in the pro-government movements were outspoken groups of people with anti-Chilean sentiments. Although they are in reality a minority, they have a considerable amount of influence in the Peruvian political scene.

A survey conducted by the Peruvian magazine Debate examined how Peruvians perceive and evaluate investments coming from our country [Chile], and showed the persistence of anti-Chilean sentiment in Peru.  

Figure 3

Public Opinion Poll

Question: Do you approve of Chilean capital entering Peru?

5 José Rodríguez Elizondo, Chile-Perú: Imágenes con interferencias, Debate magazine, Perú, Vol. XVII, Number 87, March-April 1996.
<table>
<thead>
<tr>
<th>Total</th>
<th>Socioeconomic Level</th>
<th>Age</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>A %</td>
<td>B %</td>
</tr>
<tr>
<td>Yes</td>
<td>32</td>
<td>53</td>
</tr>
<tr>
<td>No</td>
<td>60</td>
<td>39</td>
</tr>
<tr>
<td>Don’t Know/ No Response</td>
<td>8</td>
<td>8</td>
</tr>
</tbody>
</table>

Source: Debate magazine, Opinion Survey. Public Support and the Market, Lima Metropolitan Area, Real Base 504.

Nevertheless, one can see that these sentiments against Chile are more greatly rooted in the less favored sectors of Peruvian society and in the oldest age group.

Differing positions concerning this bilateral relationship also exist in Chile: a majority is inclined to support closer ties between both countries, based on an increase in bilateral exchange and investment in Peru. Their position is that Peru is a trustworthy partner, that it is currently in a period of economic stabilization and that the conditions exist for greater rapprochement.

A second group holds greater reservations towards increased bilateral ties. Some feel this way for strategic reasons – the risks greater integration in the northern region of Chile would entail – and others are anxious due to President Fujimori’s excessive concentration of power and the permanence of terrorist groups that persist despite current governmental policies against them. There is no evidence of a group of people completely opposed to a rapprochement with Peru. If such a group exists, it does not have an impact at the national level and even less so in the making of foreign policy decisions.

In short, the following may be considered among the principal problems between Peru and Chile:

**Territorial**

Chile does not acknowledge any unresolved issues with Peru in this area. Yes, the amount of utility given to the facilities owed by Chile to Peru, according to the Conventions, is still yet to be determined. However, as pointed out by the current Chilean Ambassador in Peru, Carlos Martínez Sotomayor, “the current dimensions of the relationship between Peru and Chile logically lead one to place the matter of the pending clauses of the Treaty of 1929 in its true and actual level of priority. Before, it was practically ‘the’ topic of the relationship. Now, it is ‘one’ of the topics, and for many, not the principal one.”

**Economic**

It has been two years since the two countries negotiated a Free Trade Agreement. The main reason given for the failure to move forward from these conversations is the opposition of Peruvian industry to that level of economic liberalization in bilateral relations, since they claim that they are currently not competitive enough for that.

In addition to this is the subject of the supposed competition to develop the border areas in both countries and implement bi-oceanic corridors that would result in a position as the port country of choice for the MERCOSUR countries wishing to export to Asia. In this matter, diverse opinions exist on the subject in both countries. On the one hand, some authors maintain that at the end of the 20th century the two countries are advancing towards a new type of economic competition, with significant consequences. This point of view contends that there are two competitive hubs (Tacna – Ilo – Matarani vs. Antofagasta – Iquique – Arica) that present themselves as maritime ending points of the land-based corridors of the 21st century that would connect the Atlantic and Pacific Ocean sides of the continent. The geographic conditions, existing capacity, transportation infrastructure projects, port service costs and other factors would determine a preference for Chile or Peru, above all in respect to products coming from Brazil.

Other authors maintain that the magnitude of commerce and potential presented in this process make it impossible to imagine an eventual competition since the only alternative for development for the region is a complementary arrangement between the three countries. They point out that the countries should seek a harmonious cooperation with benefits for all. They indicate that combining all the current port capacities in Peru and Chile will not meet the demands that will be generated in the future, and thus that competition between them is unlikely.

Taking what is present in both arguments one way or another, it is important to take away from this the persistence of the notion of the countries as “competitors” and rivals by some groups in both countries.

Figure 4
Chilean Commerce with Peru
(Millions of US$)

<table>
<thead>
<tr>
<th>Year</th>
<th>Exports</th>
<th>Imports</th>
<th>Total Commerce</th>
</tr>
</thead>
<tbody>
<tr>
<td>1995</td>
<td>438.0</td>
<td>147.4</td>
<td>585.4</td>
</tr>
<tr>
<td>1996</td>
<td>321.3</td>
<td>117.9</td>
<td>439.2</td>
</tr>
</tbody>
</table>


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**Figure 5**
Chilean Investment Projects in Peru, 
By industry 
(1990-1996)

<table>
<thead>
<tr>
<th>Industry</th>
<th>Investment Amount (Millions of US$)</th>
<th>% of Total Chilean Investment</th>
<th>Total Project Cost (Millions of US$)</th>
<th>% of Combined Project Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electricity/Energy</td>
<td>975.7</td>
<td>60.8</td>
<td>1,393.0</td>
<td>29.2</td>
</tr>
<tr>
<td>Industry</td>
<td>168.0</td>
<td>10.5</td>
<td>477.7</td>
<td>10.0</td>
</tr>
<tr>
<td>Banking</td>
<td>158.0</td>
<td>9.8</td>
<td>267.0</td>
<td>5.6</td>
</tr>
<tr>
<td>Finance</td>
<td>90.8</td>
<td>5.7</td>
<td>103.8</td>
<td>2.2</td>
</tr>
<tr>
<td>Commerce</td>
<td>69.0</td>
<td>4.3</td>
<td>225.1</td>
<td>4.7</td>
</tr>
<tr>
<td>Investments</td>
<td>46.9</td>
<td>2.9</td>
<td>46.9</td>
<td>1.0</td>
</tr>
<tr>
<td>AFP (Pensions)/Insurance</td>
<td>46.9</td>
<td>2.9</td>
<td>661.6</td>
<td>13.8</td>
</tr>
<tr>
<td>Mining</td>
<td>31.4</td>
<td>2.0</td>
<td>1,361.5</td>
<td>28.5</td>
</tr>
<tr>
<td>Services</td>
<td>18.0</td>
<td>1.1</td>
<td>37.1</td>
<td>0.8</td>
</tr>
<tr>
<td>Communications/Video</td>
<td>0.7</td>
<td>0.0</td>
<td>203.3</td>
<td>4.3</td>
</tr>
<tr>
<td>Risk Management</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>Information Technology</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>10,386.7</strong></td>
<td><strong>647.2</strong></td>
<td><strong>17,314.0</strong></td>
<td><strong>100.1</strong></td>
</tr>
</tbody>
</table>

Source: Prepared by Mario Benavente, using information in the press.

**Political-Cultural**

A broader assertion can be added to what has already been stated - that in both countries, several groups persist in opposing greater integration. To this can be added a cultural difference in the way the neighbor is perceived.

This is shown in the result of surveys conducted simultaneously in both countries in July 1993 by the Center of Public Studies in Chile and the company Apoyo S.A. of Peru. In response to a question asking whether they considered Chileans or Peruvians to be friends or enemies, 38 to 40% of those surveyed in both countries said they considered the two peoples to

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9 Translator’s note: This number may be incorrect, since the above percentages total 100%, as seen at the bottom of the far right column.

10 Chilenos y peruanos opinan: gobierno, economia, y relaciones internacionales, Puntos de Referencia, No. 126, October 1993, Center of Public Studies.
be friends. Those who preferred an indifferent response, in other words that people in the other country were neither friends nor enemies, reached 45% in the Peruvian case, and 56% in Chile. Finally, the perception of enmity is stronger in Peruvians than in Chileans: while only 4% of Chileans consider the Peruvians to be enemies, 14% of Peruvians generally described Chileans as enemies. Although a high percentage emphasizes a sentiment of friendship, there are also noticeable feelings of indifference or enmity in both countries.
IV. Confidence-Building Measures (CBMs)

In this section, a conceptualization of confidence-building measures (CBMs) is advocated, taking into account Chile’s experience with its neighbors, the internal and external conditions that limit greater fluidity in building links and finally what could translate into cooperative security agreement between the three countries.

1. Conceptualization

The CBMs should be understood as concerted actions between resolute states, with the goal of reducing the possibility of military conflicts and generating familiarity and trust, with the final objective of minimizing the possibilities of an accident, a misunderstanding or an erroneous interpretation of the intentions of a potential adversary.¹¹

This theory does not propose actions that will resolve the causes of conflict, since they do not consider the action of total disarmament. The CBMs imply an acceptance of a core belief: that distrust exists on the international stage. In a positive sense, CBMs are actions which increase trust between actors and in the opposite sense, those actions which decrease or limit the perceptions of danger in a defined geo-strategic situation.¹² At first, they were explicitly developed within the context of the Cold War conflict, specifically between NATO and the Warsaw Pact.¹³ The terminology has subsequently been refined until becoming a tool used specifically for relations between states.

Jack Child points out some characteristics of CBMs that are necessary for them to be used efficiently.¹⁴ The author indicates, among others:

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¹⁴ Jack, Child, op. cit.
Transparency and Openness

The message to the other party should be obvious and unambiguous in order to reassure them and minimize the possibility of hiding things or deceiving the other party.

Predictability and Reliability

The CBMs should guarantee that a party affected by a unilateral measure will have the time to respond in self-defense and will have the possibility of applying the full weight of international public opinion. The two sides should be aware that any aggressive measures initiated by them or their adversaries will be detected with quickness and precision.

Reciprocity and Equilibrium

The CBMs imply reciprocity and a certain level of equilibrium between the parties so that both sides feel like they are participating in a symmetric relationship.

Adequate Levels of Communication

Finally, it is very important that expedited channels of communication exist that are at once efficient and credible to the other party.

Two important matters exist in relation to the strengthening of CBMs. In the first place, one of the aspects to discuss is if one can label actions which have become routine over time as confidence-building measures. Although recognition and a relationship has developed between civil and/or military actors in a formal sense, in the practical sense what is occurring is a routine relationship without greater intention or pretension than the maintenance of that formal relationship. To this respect, one would have to distinguish between familiarity-building measures, trust-utilization measures and trust-consolidation measures.

The development and practice of policies aimed at increasing trust in the region permits us to suggest a gradual implementation of CBMs in terms of coming to distinguish between those measures requiring the least amount of scope and those that require a more complex, multifaceted relationship where the states involved have more trust in each other.
Figure 6
The Levels of Confidence-Building Measures

<table>
<thead>
<tr>
<th>Level</th>
<th>Actions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Familiarity-building measures</td>
<td>Meetings between high-ranking officials</td>
</tr>
<tr>
<td></td>
<td>Protocol visits</td>
</tr>
<tr>
<td></td>
<td>Student exchanges</td>
</tr>
<tr>
<td>Trust-utilization measures</td>
<td>Coordination meetings between the respective High Commands at the border</td>
</tr>
<tr>
<td></td>
<td>Opportunities for resolving minor conflicts</td>
</tr>
<tr>
<td></td>
<td>Joint exercises, observations of exercises</td>
</tr>
<tr>
<td></td>
<td>Notification of military activity</td>
</tr>
<tr>
<td>Trust-consolidation measures</td>
<td>Coordination of joint policies towards third parties</td>
</tr>
<tr>
<td></td>
<td>Information exchanges (budgets, equipment and weapon numbers, unit locations)</td>
</tr>
<tr>
<td></td>
<td>Creation of demilitarized zones</td>
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<tr>
<td></td>
<td>Establishment of joint patrols</td>
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<td></td>
<td>Establishment of joint observation posts</td>
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<td></td>
<td>Agreements concerning acceptable and unacceptable activities in border areas</td>
</tr>
<tr>
<td></td>
<td>Agreements on the number and capacity of weapons</td>
</tr>
<tr>
<td></td>
<td>Verification Processes</td>
</tr>
</tbody>
</table>

Source: Authors

Each one of these levels fulfills a certain role. The **familiarity-building measures** are crucial for generating and personalizing a formal relationship between the parties. The benefit of these measures is that they make a more direct relationship possible, and therefore, in the short term it permits the resolution of immediate conflicts. In regards to Chile and its neighboring countries, a number of measures have been generated which are from this category of CBMs. With Peru, periodic meetings are maintained with the High Commands of the country’s army and air force. The armed forces of Argentina and Chile also maintain a more or less regular calendar of formal exchanges. The central purpose of these meetings is to permit the creation of familiarity between the parties.

The inherent difficulty associated with this type of measure is that they are prone to becoming routine over time, transforming into a protocol relationship if they are not followed by new, stronger measures. This is not to discredit a form of confidence-building measure, only to indicate that it is feasible that these measures would remain as they are without being replaced
over time by a greater “densification” of the bilateral agenda, taking on broader objectives and requiring higher levels of trust.

The measures denominated as trust-utilization measures form the second level and are different from the previous measures because they are actions which attempt to overcome the formal institutional framework, transforming themselves into effective confidence-building measures. They also require coordination and a joint effort to resolve certain conflicts, which subsequently contributes to building greater bonds of trust. Among them are coordination meetings between the respective High Commands at the border, which are not only aimed at generating familiarity, but also attempt to resolve risk situations at the border and to form concrete policies concerning the management of future situations. One interesting example of this is the meetings held by the heads of the respective air forces of Chile and Peru at the border, which has resulted in the positive resolution of conflicts such as the violation of air space by airplanes from one of the two countries.

Within this category one can also find the formation of joint exercises, or the observation of exercises by the neighboring country. However, in addition, in the realm of communications would be the notification of military activities that would be conducted in specific parts of the country or the creation of joint opportunities to work on resolving some of the specific problems in the border areas.

Finally, there exists the third level of measures, denominated trust-consolidation measures, within which are included actions that require a greater level of trust between the parties. Among them are the coordination of joint policies, the exchange of relevant information, the creation of demilitarized zones, the establishment of joint patrols along the border areas, the establishment of joint observation posts, agreements on the levels and capacities of weapons and the designated processes of verification that will be examined in the following section.

2. The Chilean Experience with CBMs

Analyzing the situation from the Chilean perspective, if one quantifies the level of relations Chile’s military has maintained with its counterparts in neighboring countries, and compares this to other regions in the world, two stages emerge. The first stage runs from 1990 to 1994 – although the quantitative level of relations increased, there was no substantial qualitative change in those relations. The core relations between the armed forces and their neighboring counterparts in that period only focused on primary institutional contact, academic exchanges and protocol visits.\(^{15}\) Since 1994, there has been an important change in that more substantial initiatives have been formed with Peru and Argentina. Here one can find the first important sign of change to take into account: Chilean defense officials had the political will to form links with their neighbors.

The second piece of evidence for this change concerns the differing levels of relations with different neighbors. Confidence-building measures have advanced the farthest with Argentina. Following that country is Peru, with which some initiatives are maintained, and finally Bolivia, with which there are no military links. It is interesting to note that the two countries with which there was the most danger of conflict in the 1970s are the ones with whom these types of CBMs were initiated.

In the case of Argentina, without considering the protocol visits with each of the branches of the military, the distinctive examples of CBMs include the regular encounters between the navies of Argentina and Chile in the Beagle Channel with the goal of resolving the difficulties sprouting from differing interpretations of the Peace and Friendship Treaty of 1984. These meetings have had several successes, including joint salvage exercises, reciprocal visits, navigational buoy placements, and joint toponymy decisions in the Strait of Magellan and the Beagle Channel.

A recent agreement (1994) that mentions the subject of confidence-building measures was reached between the National Defense Military Staff of Chile and the Military Staff Group of Argentina. The agreement has the following objectives: to make the purpose of meetings explicit so that they are made permanent; to establish a calendar of annual meetings, setting up working groups for specific topics; to maintain a fluid exchange with the Inter-American Defense Board (IADB) and to perform combined visits by the military forces of the two countries to the United States upon completing their high command courses.

Among the activities that have already been carried out due to that agreement, one could highlight the approval of regulations for the military staff work meetings and the approval of a framework agreement for a system of cooperation between the armed forces of Chile and Argentina in response to natural disasters. In addition, the basis for the creation of task forces was determined for: simulation games related to the agreement about natural disasters, opinion exchanges concerning the future of the Inter-American Defense Board, the development of combined military technical initiatives, and visit exchanges for military training institutes.

However, the most significant milestone reached in relations with Argentina was the memorandum of understanding that was signed by the Ministry of Defense of each country on November 1995. The memorandum established a series of periodic meetings between representatives from both countries (twice a year), during which the status of the security aspects of the bilateral relationship would be analyzed, relevant issues to be examined would be proposed, and agreements that had already been reached would be monitored. Representatives from each country’s Ministry of Defense (at the sub-secretary level), Ministry of Foreign Affairs (sub-secretaries) and Military Staff would participate in these meetings. This is a new initiative, which is not limited to military-military relations, but also incorporates the relations between the civil governments in this area.
Other measures have also already been implemented with Argentina. A permanent system of communication between both air forces has been established in order to coordinate their network communications and control of aerial transit in the region. There has been collaboration between each nation’s army, such as meetings and an exchange of visits by military authorities to areas along the border; sporting competitions, especially equestrian and mountaineering events; and intelligence conferences and military meetings, subject to an invitation by one of the parties. Finally, one should mention the meeting held in 1996 by delegates from the armed forces of each country, the purpose of which was to study the mechanisms similar to those in effect in the armed forces of Peru - mechanisms whose purpose is to found a system of meetings for the high commands, and to establish confidence-building measures, which it is estimated would be made official this year.

In the case of Peru, the most important milestone is encompassed within the periodic meetings that started in 1986. The first two meetings basically served as a way to build mutual familiarity between the two armed forces, in which the first agreements to create official contacts between military authorities in border garrisons were created. Other achievements included an exchange of protocol visits and an exchange in information on topics of common national interest.

Among the successive meetings, the celebrated meeting in 1990 (Meeting V) stands out. In the meeting, officials scheduled visits to Chile’s defense industry, military academic exchanges which were already beginning to occur and other professional activities. Also put into effect were the “Norms of Behavior and Security for Border Patrols and Air Traffic Controllers” in cases of accidents or emergencies.

Meeting VI, which occurred in 1991, resulted in the establishment of means for bilateral cooperation during natural disasters, an exchange of information on maritime traffic and an exchange of scientific and technological information on the Antarctic Region. In addition to these actions and as a result of the constant use of confidence-building measures, eight specific measures were developed, which in summary include the following points:

1. Combined exercises between armed forces;
2. Bilateral intelligence conferences;
3. An exchange of military personnel for the purpose of instruction, training and other professional activities;
4. Professional and intelligence meetings between garrison and naval commanders at the border;
5. Reciprocal invitations to participate in historical anniversary events as well as protocol, social, cultural, artistic and sporting events, both nationally and along the border;
6. An exchange of magazines and other publications of interest for the armed forces;
7. Activities contributing to the well-being of military personnel from both countries;
8. Technical-logistical cooperation.
Between 1992 and 1996, successive meetings between the high commands of the armed forces were carried out, in which parallel to the revision of the fulfillment of the eight confidence-building measures, agreements were made to execute specific concrete actions in each area. On the other hand, both sides agreed to shape permanent secretariats with the objective of ensuring the continuity and improving the follow-through for the understandings achieved in past rounds of conversations. These secretariats would have seats in the National Defense Military Staff of Chile and the Joint Military Staff of Peru, respectively.

In August of last year, the XI Meeting of High Commands occurred. Among other matters, it was agreed to approve modifications to the regulation and inclusion of confidence-building measures in the form of Annex No. 2, the “Regulations for the Conversations between the High Commands of the Armed Forces of Chile and Peru.”

In this framework, one should also highlight the meetings held by the Peruvian and Chilean garrison commanders of bordering air force installations, which have the objective of resolving conflicts deriving from violations of airspace. Also notable are the conversations maintained by the Chilean and Peruvian navies in order to resolve the violation of territorial waters in the early 1990s.

In this context, one could also point out agreements of international scope in which confidence-building measures also have a significant role. Chile, in conjunction with Argentina and Brazil, signed the Mendoza Agreement in 1991 in which the signatories consented to refrain from developing, storing, producing, acquiring, transferring or using chemical and biological weapons. But it also proposed the establishment of inspection procedures for substances that are precursors to chemical warfare agents. The Mendoza Agreement is subject to ratification by the Conference on Disarmament under the Chemical Weapons Convention, where it is currently being discussed.

Chile in particular has adhered to the Treaty of Tlatelolco (1967) which bans the utilization of nuclear energy for military ends in Latin America, and specifies in its first article the prohibition of the testing, use, fabrication, production or acquisition by any means of all nuclear weapons, either under the orders of third parties or by any other means. In its second section, it declares a prohibition on either directly or indirectly receiving, storing, installing, placing or positioning in any way any nuclear weapons, either on one’s own, at the direction of third parties or in any other way.

An important resolution in the Treaty refers to the requirement of establishing an international supervisory organization that would ensure the fulfillment of the obligations in the treaty and which was denominated as the Agency for the Prohibition of Nuclear Weapons in Latin America and the Caribbean (OPANAL). It was created in 1969, and its control system would be established by safeguards that would be negotiated with the International Atomic Energy Agency (IAEA). For years, OPANAL has functioned with a structure consisting of a General Conference, a council composed of five Member States, and a Secretary General. In October of 1972 OPANAL and the IAEA signed a broad agreement of cooperation. In 1980,
OPANAL and the Latin American Energy Organization (OLADE) also signed a broad agreement of cooperation.\textsuperscript{16}

Finally, there is room to highlight the participation of the armed forces of Chile, Argentina, Brazil and the U.S. in the demilitarization of the Cordillera del Cóndor conflict zone on the Peru-Ecuador border. In a period of ninety days, they were successful in verifying the existing potential for armed conflict in the area of operations, establishing a plan to separate the forces involved in the conflict, coordinating a cease-fire operation which separated the forces, and finally establishing a demilitarized zone. This case is an example of a process of demilitarization and subsequent verification of fulfillment of the Rio Protocol concerning a conflict ended by third parties. This is notable in terms of the objectives of the current analysis, since it involves coordination by four countries that have not had many previous experiences of joint participation. It was also an example of the countries in the conflict agreeing to provide military information to the enforcers of the Rio Protocol.

Finally, it has already been shown that ties between the armed forces of Chile and Bolivia do not exist, which is accentuated by the fact that diplomatic relations between those countries also does not exist; relations only occur at the consular level.

Taking up again the arguments already put forth, the initial CBM process between Chile and Argentina began with the political initiative observed in Chilean authorities starting in 1994 and which were compatible with the interests of the Argentine authorities in the form of confidence-building measures. Secondly, we wish to emphasize the important differences between Chile’s relationships with Argentina, Peru and Bolivia.

One can link the unequal level of relations with our neighbor countries with four complementary factors. First, geographic realities result in greater ties with Argentina, both due to a long shared border and the generation of important links between regions throughout Chile. Second, from the Chilean point of view, it is with Argentina that there has been the most serious possibility of a conflict in recent decades. Third, Chile’s commercial relationship with Argentina produces the most exchange of goods, services and people, which brings with it a greater interest in stabilizing mutual relations.

3. The Necessary Conditions for Stronger CBMs

The existence of distrust in the Chilean-Bolivian and Chilean-Peruvian relationships gives merit to creating or strengthening confidence-building measures, depending on the country. The establishment of these measures will only be possible from a confluence of internal and external interests. In the case which is being analyzed, it is clear that building ties is not simply a matter of foreign policy, but is a matter which also alters and is altered by the domestic agenda.

From that arises the necessity of understanding certain elements or characteristics that each country possesses with regards to its political system, organizational structure and decision-making process and which influences the perception neighbors have of that country.

In the case of Chile, three central factors exist that affect the decision-making process in security matters: the type of transition, the role of the armed forces and the organizational culture that determines the decision-making process.

a. Characteristics of the Transition

In analyzing the case of Chile, it is necessary to consider the way in which the political system has evolved in the past ten years. This is based upon two central elements: a governance pact and the acceptance of a coordinated transition.17

Governance

A broad consensus was produced in Chile with respect to a peaceful return to democracy. The opponents to the military regime at the time agreed to participate within the rules of a game they did not agree with (and still do not) with the purpose of progressively democratizing the country. The acceptance of these rules of the game guaranteed a governing pact to those leaving power. It was recognized that all changes or modifications to basic institutions would require a broad and majority-based consensus. Therefore, a governance pact was implicitly established in which groups that have different views on things coexist, knowing that those differences exist, but without leading to increasing tensions in political or social conditions that would make the country ungovernable.

Coordinated Transition

The process above has a second premise. The idea is that it is essential that the country have a majority-based government. Given the current concentration of forces, that is only possible through a government coalition (the concert) that represents between 56 and 58% of the national electorate. To the above, one should add a second element, which is the over-representation of right-wing groups in Nacional Congress in terms of the designated senators. Therefore, any modification to the political system requires negotiations among all the actors of the political system which are represented in National Congress.

b. The Role of the Armed Forces

The second matter to consider is the role of the armed forces. One of the aspects of Chile’s democratic transition that has attracted much attention is the permanence of a high level of military autonomy, reflecting what has been called a model of incomplete democracy. This

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17 Rojas, Francisco, Transición y relaciones civiles-militares en Chile en el nuevo marco internacional, Nuevo Serie Flacso, FLACSO-Chile, Santiago, 1996.
model maintains the institutional structure imposed by the military government (the authoritarian enclaves) and, given the concentration of political forces and the inherited conditioning factors, precludes even considering a substantive modification to this reality.

In the case of the armed forces, the inherited institutional framework, which guarantees a high legal and functional autonomy, has been an act that has evidently translated into very specific and concrete measures. These measures include the obtainment of a minimum budget floor; the impossibility of the President removing commanders in charge of the armed forces, as well as lower-ranking officers; and the participation of the military in important decisions through the National Security Council.

However, this military autonomy does not mean that the armed forces control the government, or that military institutions do not comply with decisions made by the President. When accepting the rules of the democratic game, the military must have also assumed that the maximum authority of the country corresponded to the President of the Republic. In this way, a situation was formed in which the armed forces exist in a different sort of autonomy.

In terms of operational matters, the Constitution consecrated a high level of autonomy or independence to the armed forces, which translates into their ability to form development programs, the existence of an annual minimum budget floor and a minimum budget for acquisitions, among other things. However, from the point of view of its political-institutional influence, the armed forces possess a low level of autonomy because they depend on or require either explicit or implicit support from political groups or from the government itself in order to make its views heard. In subjects such as amendments to the Constitution, the role of the National Security Council, the permanence of the designated senators, foreign policy decisions, the resolution of the topic of human rights, etc., if military institutions wish to influence governmental authorities they must have explicit support from political parties who share their views. The costs the military institutions would have to incur to oppose a resolute reform would be very high, since currently Chile’s institutions respect the boundaries restricting each of the powers of the State. In other words, the forum for political-institutional negotiation in Chile has been National Congress.

c. Foreign Policy and Defense Decision-Making

When the first democratic government came to power in 1990, it began the task of re-establishing diplomatic relations and re-inserting Chile into the international scene. That attitude reflected political will that was followed by all the institutions in the country. Subsequently, during the current administration President Frei made the creation of a “great Latin American economic space” one of his priorities. This priority towards Latin America has translated into

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18 In this respect, see Claudio Fuentes: “Militares en Chile: ni completa autonomía ni total subordinación.” In: FLACSO-Chile, Chile ’96, análisis y opiniones, Santiago, 1997.
bilateral trade agreements with the majority of states in the region and by becoming an associate member of MERCOSUR 1996.

In terms of defense policy, there have also been verified advances in the matter, albeit at a slower pace. In the first place, there exists a political ministry dedicated to generating cooperation agreements with the primary powers in the world, and in the region, integration policies have been generated such as those that were mentioned earlier, particularly with Argentina.

The coordination of defense and foreign policies was a process that has been historically absent from Chile, not for circumstantial reasons – for which the existence of a military government could have qualified – but because of a bureaucratic logic in which well-defined “organizational cultures” were consolidated, both in the diplomatic corps and within the armed forces. Several authors have pointed out the importance that the organization of a bureaucracy has in decisions. In the case of Chile, the lack of coordination has often affected this decision-making process.

During the past few years, this has been a relevant item on the government’s agenda, and efforts have been made to improve the existing coordination between foreign and defense policy. For example, a policy concerning peace-keeping missions was established, and the government is currently in the process of creating of a National Defense Manual, in which representatives from diverse areas of the national scene participated. Coordination in more specific areas has begun, requiring the help of military and civil authorities (pending border issues, the effective use of territory, discussions on the right to the ocean, the convention on chemical weapons, etc.)

For Chile, a central objective constitutes achieving a greater articulation of policy and demonstrating coherence between the implementation of foreign and defense policies to the neighboring states.

Reiterating the argument about the internal factors that influence foreign policy decisions, one could say that the internal conditions which determine, in part, the policies towards our neighbors include the transition model, the role of the armed forces (legally and practically) and organizational culture. If one considers these three elements and compares them with verified actions from 1990 to the present in terms of Chilean foreign policy towards our neighbors, it becomes evident that the political will of Chile’s leaders has prevailed over these three conditions. We would like to demonstrate this affirmation with some examples:

- Between 1990 and 1996, 23 of the 24 pending border issues with Argentina were resolved as the result of a political agreement between both countries that generated internal debate and even rejection from some groups. However, it has been fully implemented without altering Chile’s institutional framework or provoking a public, negative reaction from the armed forces.
During the Aylwin administration, the negotiation on the pending matters in the Treaty of 1929 signed with Peru was started. This was also a subject that could generate strong internal disagreements; however, they were not expressed, since political will and respect for the decisions made by the President prevailed over them.

During the Frei administration, a law was passed that permits the purchase of property in border areas by foreigners from neighboring countries. This was also not directly or indirectly opposed by any group in the country since it was a piece of legislation passed by the National Congress.

A defense policy is in place that usually favors explicitness and that has been oriented and directed by civil political authorities. The intent of the ministry is to generate closer civil-military relations; to pay the historical debt of the civil authorities, who during a great part of the 20th century were unconcerned with the defense sector; and to create a climate of stable peace in the region.

One can observe that in these four cases, in which political actors, the armed forces and foreign policymakers all participated, the president’s political willpower overcame any other conditioning factors. In all four cases, a policy was sought that would reflect the majority opinion in the country, and in two cases, it was supported by the legitimization of the National Congress. We submit that in topics linked to relations with neighboring countries, the decision-making process is determined by the president in the protagonist’s role; a diplomatic tradition that has consolidated over time; and armed forces that have a significant, but not decisive, capacity to influence decisions. They can do this through the Ministry of Defense itself or also through building coalitions with sympathetic political parties with similar positions.

Figure 7
The Chilean Decision-Making Process
in Security Matters

<table>
<thead>
<tr>
<th>Area</th>
<th>Characteristics Affecting Decisions in Security Matters</th>
</tr>
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<tbody>
<tr>
<td>CHILE</td>
<td></td>
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<tr>
<td>Internal</td>
<td>-Presidential willpower</td>
</tr>
<tr>
<td></td>
<td>-Type of transition. Transitional agreement scheme (Principles, Stability, Governance, Consensus)</td>
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<tr>
<td></td>
<td>-Conditional military autonomy</td>
</tr>
<tr>
<td></td>
<td>-Organizational culture (diplomatic corps and armed forces)</td>
</tr>
<tr>
<td>External</td>
<td>-Bolivia’s non-acceptance of a status quo.</td>
</tr>
<tr>
<td></td>
<td>-In Bolivia and Peru: the relationship with Chile is part of the internal agenda. (Elections tend to polarize views)</td>
</tr>
<tr>
<td></td>
<td>-The subject of administering the Treaty of 1929.</td>
</tr>
</tbody>
</table>

Source: Authors
Just as internal conditions can determine available policy options, external conditions can do so as well. As always from the Chilean perspective, one initial aspect that limits the possibility of closer ties using confidence-building measures is Bolivia’s non-acceptance of a status quo, generating a situation in which for Chile there is no problem to resolve and where the topic is always salient in Bolivia.\(^{19}\) Outside of what should happen in this area is the fact that this situation inhibits any closer ties that could result from confidence-building measures in the area of security.

A second element is that the perception in Chile, as well as in Peru and Bolivia, is that border matters and the bilateral relationships in general make up an important item in the domestic agenda. For example, one can observe a distancing or tension in relations with Bolivia and Peru which are produced during election times. The Chilean self-perception is that its relations with Bolivia and Peru are not topics which generate internal electoral disputes – that the positions taken by the various Chilean political parties are fairly homogenous and that the authorities have shown continuity over time in their policies in this area.

Finally, in relations with Peru, the topic of the administering the Treaty of 1929 endures, which is related to topics that had already been discussed in the now defunct “Lima Conventions.”

The internal and external characteristics covered above, which are presented from the Chilean point of view, determine in part the framework of “what is possible” in terms of relations with Chile’s neighbors. As a result, one must keep that reality in mind when planning future projects.

4. Towards a Cooperative Security Agenda

We submit that it is feasible to jumpstart a cooperative security scheme among the nations of the hemisphere, and with it the Andean and Southern Cone sub-region, especially given the new process of increased interdependence, as has already been defined. It is possible to imagine three scenarios or alternatives in the sub-region: maintaining the status quo, establishing a peace zone and moving towards a cooperative security system. We will limit our analysis to the last two options.\(^{20}\)

a. The Difficulties of a “Peace Zone”

Proposals to create Peace Zones emerged in the context of the Cold War and were meant to prevent the superpowers from extending their rivalry and confrontations. In 1971, the United

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\(^{19}\) A good analysis of the internal Bolivian debate can be found in Raúl Barrios, “Percepciones bolivianas sobre Chile,” in: *Cono Sur*, FLACSO-Chile, Santiago, September-October, 1990.

Nations passed the first proposal for the Indian Ocean, which never came into being. Similar ideas were promoted in the region in 1979 (Caribbean Sea-OAS), the South Atlantic (1986-UN) and the South Pacific (Peru) but none of these were successful.

Among the known proposals, various elements are typically included, such as:

- promoting the pacific resolution of conflicts;
- strengthening confidence-building measures;
- respecting the non-intervention principle;
- strengthening the prohibitions against nuclear weapons and extra-continental military bases;
- forming a common policy against the involvement of superpowers in the region;
- unlinking the region from the superpowers’ global conflict;
- peacefully resolving border and territorial tensions and conflicts;
- reducing military spending in a balanced fashion.

The theory of the “peace zone” has been applied to the case of South America by some authors. In the late 1980’s, they supported the possibility of consolidation within South America. However, in our judgment this proposal has serious limitations that have already been pointed out by other authors. Among the main objections one could specify are: Firstly, that this idea belongs to the Cold War era, where two superpowers were engaged in a global confrontation. Now that the Cold War is over, the threat of involving the great powers no longer exists. Second, there is no conventional statute with the rights and obligations that are derived from a treaty, which results in a highly undefined judicial situation. This lack of regulatory instruments is a problem when addressing military matters. Third, the proposal of a “peace zone” would be certain to generate pressure and accelerate the need to resolve pending border conflicts between neighbors, something that in some cases would not be favorable to the current process those conflicts are going through. Fourth, so far the Peace Zone proposals concerning South America consider excluding the United States from a regional security scheme of this nature, something that should be reconsidered due to the risk of a confrontation with that power and because it would be difficult for all the countries in the region to jointly assume a position of opposition to the United States. Finally, it considers a reduction in military spending, a matter that would generate more than a few internal crises among countries in the region were this applied to the current situation.

Due to these issues, certain realities would make the establishment of a “peace zone” among the three nations a difficult possibility:

**Opposing Views Concerning Bolivia’s Access to the Ocean**

While Chile considers this territorial matter with Bolivia to be resolved due to the Treaty of 1904, Bolivia maintains its demand for free and sovereign access to the Pacific. This situation has led to the breaking of diplomatic ties and recurring periods of tension among both countries
in international forums. Attempts at resolving this issue have failed in the past. This situation causes a high amount of distrust between Chile and Bolivia. The existence of a “Peace Zone” coming from an acceptance of the current boundaries is something that would currently be very difficult to achieve in the case of Bolivia.

**Failure of Fully Applying Some Matters Linked to the Treaty of 1929 with Peru**

In the Chile-Peru case, there are also some administrative topics linked to this treaty that have not been definitively resolved.

**A Reduction of Armaments or Military Spending would Alter Relations with Neighbors**

An eventual reduction in armaments or military spending within the three countries would have effects on other countries. This is the case with Ecuador, with whom Peru maintains a border conflict that has not been resolved, as well as with Chile concerning Argentina, a country with whom Chile has the most involved relationship. Due to these issues, an eventual reduction of armaments or military spending should be considered jointly with the other countries in the region, since decisions in this matter are influenced by an interrelated group of factors. So, while Peru maintains an active consideration of possible conflicts with Ecuador and/or Chile, Chile does the same with its three neighbors. A change in this logic would affect the whole national strategic planning of these countries.

**An International Judicial Framework Does Not Exist**

It has already been stated that the Peace Zone proposals that have been suggested so far have not been based on an internationally recognized conventional statute, with rights and obligations that are derived from a treaty. This generates a highly undefined judicial situation, more so in the case of Chile’s relations with its two neighbors in which high distrust endures due to territorial issues.

**It Would Establish a Triple Agenda of Negotiation**

Given the current relational framework, in which the process of economic interdependence is beginning to be promoted and in which the states additionally maintain an agenda of political dialogue, a proposal to establish a “Peace Zone,” given the current security relationship framework, would cause relations between the nations to become more tense, since it would insert one of the more sensitive issues in the bilateral relationship into the agenda of discussion. This tension would be internal to each country, since the military and political forces of each country would be opposed to an initiative of this kind. Tension would also increase between the states, resulting in an obligation to create a new agenda of discussion in which the possibility for consensus would be minimal.

**b. Towards a Cooperative Security Scheme**
The previous arguments question the “Peace Zone” concept’s possible success as a model to follow in this case. However, we consider that it is feasible to establish a more stable framework of peace in the region that would achieve the same outcome using the organization of a cooperative security scheme. This scheme can be understood as “a system of inter-state relations which, by coordinating governmental policies, prevents and contains threats to national interests and prevents the perception of these diverse state interests to transform into tensions, crises or open confrontations.”

This idea maintains that there should be no contradiction between the existence of a cooperative security framework and the development of national defense policy. The existence of a greater dynamism in inter-state relations is also recognized, and that the stage of international relations is now less hierarchical and includes more actors.

Therefore, greater inter-state coordination is required in order to generate a framework of cooperative relations in different areas. For the case being analyzed, it would be feasible to apply measures in the following areas:

i. Crisis Prevention and the Maintenance of a Status Quo

It is necessary to establish diplomatic mechanisms in order to generate a network of hemispheric, regional and sub-regional instruments that contain ways to prevent and manage crises and controversies. This situation is applicable to the Chilean situation concerning its bilateral ties with its neighbors in that there are diverse topics in which it is involved.

Eventual measures that could be taken are:

The Establishment of a Mechanism of Understanding between the Ministries of Defense of Chile and Peru

Following the mechanism model that was created by the increased ties between the Ministries of Foreign Affairs and Defense in Chile and Argentina, the same arrangement could be established between Chile and Peru. This would allow the possibility of increasing security ties at the highest level. Through such a mechanism, one could periodically assess the status of relations and the mechanism would also serve as a way of preventing conflict or risk situations. This policy cannot yet be applied to the Chile-Bolivia relationship since diplomatic relations do not exist. That would be a basic condition needed to progress in security matters.

Academic Encounters with the Purpose of Evaluating Tri-National Relations

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22 On the subject, see Augusto Varas, ibid. page 28 and ss.
A second possibility is the creation of events for informal dialogue that make closer ties between the three countries possible. In this subject, Chile’s experience with Argentina shows the enormous importance of an initial level of non-governmental ties. In other words, using an academic dialogue not involving governmental institutions, it was possible to have discussions which translated into policy recommendations for the respective countries. A dialogue of this form has the advantage of allowing a freedom of opinion, given the academic nature of the event, but which also makes possible the recognition of conflicts in relations between neighbors.

**ii. Modernization and a Sub-Regional Balance**

The current regional situation inhibits thoughts about drastic reductions in armaments and military spending. However, maintaining a sub-regional equilibrium and balance seems to be a necessary condition. To this end, one could apply, among other measures:

**Making Defense Policy Explicit**

A novel initiative in the region has been what has been called making one’s defense policy explicit. In Brazil, Argentina and soon in Chile, studies have been developed with the object of establishing public, transparent guidelines on national objectives and national defense policies. An initiative of this kind in Peru and Bolivia would help to consolidate this current trend in the region.

**Making Military Spending Transparent**

One of the greatest difficulties in the region is the existence of differing interpretations of military spending. On the one hand is the problem of the level of secrecy that various countries employ in the subject, but additionally this is combined with the different methodologies that exist to measure military expenditures. Therefore, an initial transparency initiative would be for the governments to disclose, annually and publicly, military expenditures with the level of detail necessary to at minimum distinguish expenditures by military branch, operating costs, equipment acquisition costs, preventative/health costs, and costs related to institutions related to defense (for example, military industries.)

**Making Acquisition Policies Transparent**

Another necessary action is to make military acquisition policies transparent. Chile, for example, gave advance notice of its recent military acquisitions to the Republic of Argentina. A policy that builds trust involves having the capacity to establish a mutual recognition of the demands and requirements of the defensive forces in each one of the countries. For example, the following factors are woven together in the region: increases in offers by supplier countries, the availability of resources in some countries of the
region and the need to renew military materials that are at the point of becoming obsolete. It is in this last matter where a deeper understanding between the neighboring countries could occur.

**Incorporating Weapon Limitation and Control Regimes**

Weapons controls are understood as regulations and previously agreed upon norms that are self-imposed or imposed by a higher authority to be observed in processes of acquisition and/or sale of military items. Measures that apply to this area include self-limitations on selling weapons to parties currently engaged in conflict, agreements on standards for the acquisition of weapons systems and agreements on the verification of treaties. Incorporating the countries of the region into a regional system of missile control or incorporation into the MTCR\(^2\) would favor maintaining strategic equilibriums, avoiding a situation where countries with greater technological development would continue advancing with their programs. It is relevant to point out that given the sub-regional context, it would be difficult to specify a weapons control policy unilaterally. Such a policy would be possible only if it is specified between various countries through the use of specific agreements and if it is verifiable by all the parties.

Weapon limitations refer to the establishment of maximum limits in the number of weapons systems and/or a freeze on acquisitions and/or production of fixed types of armaments. In other words, it refers to what weapons cannot be possessed. One interesting initiative is the Mendoza Compromise, which bans the use, production and sale of chemical, biological and bacteriological weapons. This agreement has not yet resulted in concrete actions by the signatory countries, since it forms a part of the negotiations on chemical weapons which are currently taking place in Geneva. Again, political will is required to sign agreements of this kind, but any agreement should consider effective means of verification, without which a dead document could result.

In Latin America, efforts to limit and control weapons have not succeeded in the past, perhaps because they have not been backed up by efficient mechanisms to verify compliance.

**iii. Confidence-Building Measures**

We have already pointed out the theory and possibilities of confidence-building measures. The greatest difficulty that exists in the situation we have analyzed is that the security ties between Chile and Peru and those between Chile and Bolivia are occurring at different paces. The possibility of establishing a common agenda between the three countries using confidence-building measures is made difficult precisely by the distinct realities in the existing relations between the neighbors. As a result, a differentiated agenda of confidence-building measures needs to be established:

\(^2\) Translator’s Note: Missile Technology Control Regime
Familiarity-Building Measures

With Bolivia, a process of building security ties should begin using what are called familiarity-building measures. These are low-intensity CBMs that focus on building recognition between the parties (protocol meetings, visits, attendance at anniversaries.) This situation will only be possible if the protocol of diplomatic relations is re-established.

Trust-Utilization Measures

One could say that Chile is currently at this stage in its relations with Peru. Coordination meetings have been established between military commanders at the border and an annual meeting of high commands exists that has defined eight confidence-building measures to be developed and evaluated. In this matter the following would be required, for example:

- continuing exchanges and protocol visits on certain anniversaries,
- proceeding with joint armed forces exercises,
- generating notification guidelines for military activities,
- exchanging information concerning budgets and acquisitions,
- creating a mechanism of understanding between the Ministries of Defense.

Trust-Consolidation Measures

Measures in this category are those with high density, that is, those that require a higher level of coordination between the states. An agenda of possible measures to develop in the medium and long term, especially with Peru and possibly further down the road with Bolivia, are:

- coordinating policies concerning third parties,
- creating demilitarized zones,
- establishing joint patrols in border areas,
- establishing joint observation posts,
- creating an agreement on acceptable military activities in border areas,
- creating an agreement on levels of control and limitation of armaments,
- creating verification processes.

Confidence-building measures are an adequate path towards advancing the consolidation of peace and the strengthening of trust between nations such as ours. We consider the best option in the current sub-regional situation to be a progression and articulation of these measures in several different areas of bi- and multilateral cooperation.

Greater dynamism in economic and political relations will have two simultaneous effects: it will strengthen the ties between the states, obligating our governments to set guidelines for more stable relations, but at the same time, it will increase the risk of new tensions over the
matters in which we are now interacting. Although previously our relationship was solely based on matters of border controls, now we predict debates and tensions over immigration, the use of ports, investments, the environment, the use of resources in border areas, etc. The only possible option is to create conflict-resolution mechanisms, be they political, economic or military in nature. Just as greater interdependence now exists, a greater coordination of policies between the states is required to avoid disagreements. In other words, interdependence is positive only if it is politically reinforced by each one of the states that is participating in these relations.

Reiterating the initial question of whether a security scheme is possible between Chile, Peru and Bolivia, we believe that it could be possible as long as it is created with a constructivist vision, that is, that the relational networks in the most diverse political, economic and security areas among the States are progressively developed. A fully comprehensive strategy could cause an early failure in an attempt to increase ties between the parties. This status has been achieved in specific spheres of the country-specific relations with Bolivia and Peru, since at a technical level, important advances have been made in coordinating policies between the countries. The growing framework of integration allows the creation of a political space where a process moving from distrust to cooperation can occur.
V. Addendum

Bolivia: Will a change of government bring a change of policy?

Ex-general Hugo Banzer’s rise to power signals a new stage in Chile-Bolivia relations. Banzer has stated that although bilateral dialogue is preferred, that his government will attempt to bring its claim to a sovereign exit to the Pacific Ocean to multilateral arenas.

This action will be based on an Organization of American States resolution made in November 1979 that declared Bolivia’s landlocked status to be a matter of hemispheric interest. Both President Banzer and the new Bolivian Chancellor, Javier Murillo de la Rocha, have stated that a change of mentality in the bilateral relationship is needed. The Bolivian leader declared that “Chile’s point of view originated more than 100 years ago; I believe that it is time to evolve.” The ex-military man has also referred to the necessity of restarting the negotiations he had in his moment with General Pinochet, initiated with what has been called the “Charaña Embrace.”

Nevertheless, President Eduardo Frei has been emphatic in stating that the Chilean government has a very definite policy towards Bolivia and that this policy will continue to be maintained. In this matter, he pointed out that “we will reaffirm what has always been Chile’s position: to keep working so that Bolivia has every chance (to access the ocean) through the system we have implemented, that they have access to the railways, the ports and all the infrastructure that will allow them fluid access.”

However, a new element has been added to the traditional controversy of Bolivia’s access to the ocean. In front of the 52nd Assembly of the United Nations, President Banzer accused Chile of maintaining anti-personnel mines along 890 kilometers of the border with his country, which is contrary to the relaxed atmosphere that Chile claims to pursue between both countries.

The Chilean government’s response came from President Frei himself, who lamented that the Bolivian government has a dual-discourse concerning Chile. In this matter, Frei stated that President Banzer, during his visit to the United States, on the one hand accused Chile in front of the United Nations, and at the same time gave assurances that Bolivia had a high interest in increasing its commercial ties with Chile.

Due to the short period of time that this President has been in power, a more detailed analysis of his position concerning Chile is not possible. However, certain indicators do exist in these two months of leadership, and one must consider the following:

26 Approximately 553 miles.
• Unlike his predecessor, Banzer has decided to increase Bolivian efforts to seek a solution to its lack of access to the ocean to a multilateral level, both in the Organization of American States and the United Nations.

• The new Bolivian government has chosen to revisit certain historical legacies at the moment it comes up against its first difficulties internally. First, this occurs due to problems in the government’s coalition; second, due to the lack of a properly structured government agenda and third, due to the surge of criticism from certain parts of the armed forces.

• The topic of anti-personnel mines will continue to be a source of news in Bolivia. It has already been announced that the recent winner of the Nobel Prize, a woman who is the director of an Anti-Personnel Mine Program has been invited to visit the border area in question. Nevertheless, this would basically help to divert news attention from internal problems, and would not be a longer term topic of interest. Chile has already signed the Oslo Accords and has made a commitment to de-mining the border with Bolivia.

• Another possible news focus could be the meeting that Banzer and Fujimori will hold in Ilo, an encounter in which Bolivia’s access to the ocean will be a central theme.

   Nevertheless, although these historical legacies generate “noises” in relations, they do not signal the intensification of differences or the surge of a wider crisis. A wider free trade agreement is also being pursued between the two countries, a crucial fact since it is occurring amidst these disagreements.

   This is the manner in which a double agenda – one traditional and the other economic – persists between the neighboring countries, with notoriously higher development in the latter. Additionally, one can confirm the weight that Bolivia’s access to the ocean has on the internal Bolivian agenda. Advances and/or setbacks are determined in part by the domestic politics of each country. An interesting intellectual challenge would be to evaluate the extent to which each country’s relationship with its neighbors is a question of domestic politics, or if it reflects an internal consensus on the foreign policy towards each country. We venture as a hypothesis to be studied in depth that while for Chile neighboring relations do not constitute a political-electoral subject (and therefore the domestic agenda does not determine foreign policy in this area), that in the Peruvian and above all the Bolivian cases, this is a political-electoral matter, the result being that the domestic agenda determines the pace, tensions and advances in their respective relations with Chile.
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For the first time in many years, a solution to the issue of Bolivia’s access to the Pacific Ocean is being openly and publicly discussed, which is without a doubt a novelty. Chilean foreign policymakers have insisted on an agenda with all options on the table, which, along with the promotion of easier transportation of goods and services at the border, includes looking for a way of giving Bolivia access to the ocean. This Sunday, [Chilean Foreign Affairs] Minister Foxley confirmed that “as a possibility,” the option of granting Bolivia sovereign access to the ocean will not be excluded.

Meanwhile, for the first time in Bolivia, there has been a surge of public figures in favor of seeking non-sovereign access to the ocean. Fernando Salazar, a former diplomat, suggested the idea of Bolivia having control of the land through “territorial supremacy”, but not sovereignty. Former Vice-President Luis Ossio has been a supporter of the idea of two enclaves, one that would give Chile access to the Atlantic Ocean via the Paraguay-Paraná waterway and the other for Bolivia in the port area of Mejillones.

The icing on the cake has been, without a doubt, Vice-President Alvaro García Linera’s declaration indicating that Bolivia is considering tackling the issue bilaterally as part of its strategy to gain access to the ocean. For its part, the government of Chile stressed that any conversations with Bolivia should include “a wide agenda, without exclusions.” The conditions are ripe for closer bilateral ties, and that is a positive development.

The solution to this delicate topic requires large amounts of ingenuity, high-level diplomacy and caution. Ingenuity is needed to find solutions that will satisfy both sides. A hopeful sign of this at the moment is that the positions held by both countries are becoming more flexible, and new concepts are being introduced (“shared sovereignty,” “supremacy,” “management of enclaves,” etc.) High-level diplomacy is required because at this stage in the relationship, the statements and actions of any individual official could be misinterpreted. The two governments need to establish bridges of dialogue and trust in order to reduce the “noise” generated by political and social actors with vested interests. Building trust implies willingness to compromise, but also the ability of each of the actors to understand the limits of what will be possible in each national context.

Additionally, the two countries must act with extreme caution. At what moment will the actors sit down at the table? In what format will they do so? With what agenda? Will Peru be included as part of the solution if the Treaty of 1929 ends up being affected? These are questions that should be resolved bilaterally. Each step should increase the amount of confidence in the other, and not the opposite effect. Significant progress could be made after Bolivia’s Constituent Assembly next August.
Bolivia’s access to the ocean is an essentially bilateral issue, has the potential to become a trilateral issue (Bolivia-Chile-Peru) and is of multilateral concern. In an increasingly multilateral region, it should not be surprising that other countries and multilateral organizations show their concern for the issue, especially since this is a problem that affects the development and stability of other nations. In this sense, Secretary-General Insulza’s visit to Bolivia has double political value: on the one hand, this is a visit to a country that objected to his candidacy in June 200527, and on the other hand, the top-ranking official of the OAS will discuss a great number of topics with the Bolivian government.

Nevertheless, one must distinguish between the “concern” that a multilateral institution like the OAS could have for a bilateral matter and its potential “intervention” in the solution to the problem. The mandate of the OAS requires the consent of both parties as a precondition to the initiation of a process of mediation or compromise-brokering. Today, the ideal conditions exist to start a bilateral debate under the watchful eye of multilateral entities. Good political timing seems to accompany both governments, and hopefully officials from these countries will take advantage of an opportunity that has been very rare in their diplomatic history.


27 Translators Note: Secretary-General Insulza is from Chile.
**Bachelet Held a “Frank Dialogue” with Alan García**

By Mariela Herrera Muzio  
*Translated into English by Ryan S. Keller*

Mariela Herrera Muzio,  
Special Correspondent in Bolivia  
6/15/07

*Tarija.* Before the important meetings that were planned for the leaders of the Andean Community of Nations (CAN), to which Chile has recently returned as a member, President Bachelet told her counterparts in a colloquial tone: “I thank you for the support, worry and affection you have shown for the health of my daughter. Thank you very much, my esteemed colleagues.”

In this way, the Chief of State initiated her address at the plenary session of Meeting XVII of the Andean Presidential Council. The Council culminated yesterday in this Bolivian city; and Bachelet was only able to assist the last day of the meeting due to the cerebral medical emergency suffered by her daughter, Francisca.

The visit was marked by the Chilean leader’s meetings with the President of Peru, Alan García, and the President of Bolivia, Evo Morales, and by her satisfaction with Chile’s return to the Andean Community.

“Chile has returned to a place it should never have left,” she said on the matter. “We say this with pride: Chile is an Andean nation, and we hope that this step will further strengthen the profound fraternal links between our people and those of the Andean countries."

**Dialogue with Peru and Bolivia**

However, in addition to this matter, the most attention was centered on the meeting Bachelet had with Alan García. In the past few days, relations have been disrupted by statements made by Peruvian Chancellor José García Belaúnde concerning maritime limits, which were considered derogatory and replied to in kind by Chile, and by the burning of two floral offerings in Tacna which were placed by the Chilean Ambassador in Peru, Cristián Barros.

The meeting with García occurred close to noon, when both leaders left the plenary hall while the President of Ecuador finished chairing the session.

For half an hour, they had “an impressively frank and calm” conversation, it was claimed.

Chancellor Alejandro Foxley assured that Chile reiterated to Alan García that “on the subject of borders, we have no controversy with Peru,” and that on this matter, both countries conceded that any differences would be settled pacifically and amicably.
Bachelet spoke with the Bolivian leader, in turn, close to 9:30 AM, before the inauguration of the meeting of Andean nations. In an exchange that lasted a bit over 15 minutes, both “renewed the good spirit that exists in that relationship,” according to Chancellor Foxley.

The minister said that on the maritime issue, Bachelet and Morales conceded that these are matters which should not be put under time limits “because they should proceed at their own pace,” and they concluded that they have already had a year to build trust and that now results are needed, such as the repair of the Arica-La Paz railroad.

A Gesture Towards Peru

Without any conditions, Chile resolved to return a historic estate to Peru, which since 1929 has been the seat of the General Consulate in Tacna.

The property consists of an employees’ house from the 19th century that was declared a Peruvian historical monument in 1980. In successive attempts to settle pending issues from the Treaty of 1929, including during the years 1934 and 1985, the property was negotiated, but the Act of Execution of 1999 did not mention include it.

Reasons for Withdrawal

On October 30, 1976, Chile withdrew from the then-called Andean Pact – which the country helped to create during the Eduardo Frei Montalva administration in 1969 – when Chile was not able to make its political economy compatible with those of the other five members. At the time, it was explained that this gave Chile the liberty to apply measures considered to be “fundamental,” such as customs reform and the treatment of foreign capital.

The current Andean Community of Nations (CAN) is a regional economic and political entity with international jurisdiction. Before Chile rejoined, it was made up of Bolivia, Colombia, Ecuador and Peru. Venezuela left in 2006.

Trip to La Paz

In the context of their 12-hour visit to La Paz, Bolivia, the Senators from the Foreign Affairs Commission remarked yesterday that Chile and that country should have a “dialogue without exclusions, but at the same time without conditions.”

That was how it was put by the President of the Commission, Roberto Muñoz Barra (PPD), who – along with his peers Juan Antonio Coloma (UDI), Sergio Romero (RN), Juan Pablo Letelier (PS) and Jorge Pizarro (DC) - held an intense round of meetings with Bolivian legislators with the goal of tackling topics of mutual interest to the countries.

The Experts Value Integration, But Warn of Customs Problems
In the opinion of the experts, the main effect of Chile’s return to the CAN will be to the framework of regional integration.

But they also warn of certain risks, such as how the integration process will handle customs.

In this matter, both Ex-Chancellor Ignacio Walker and the Director of the Latin American Faculty of Social Sciences (Flacso), Claudio Fuentes, stated that the role of Chile in the CAN should not exceed that of an associate member, since this gives it the flexibility of belonging to the forum, “but without becoming involved in customs matters, which are the most complicated subject for Chile.” Fuentes argued that the strong differences in customs regulations that exist between Chile and the other members of the CAN could be harmful for the country.

Nevertheless, both agree that it is highly profitable for the country to show its integrationist calling in Latin America.

However, in addition to pointing out that fact, the Ex-Chancellor also submitted that Chile should prioritize its role in the South American Community of Nations – created in 2004 and containing 12 countries – and from there to consider Mercosur and the CAN.

For Fuentes, Chile will mainly obtain political benefits, due to its closer ties with the sub-region, while in economic matters, he believes that even if Chile does not have a strong commercial relationship with this area, that it is important to remain in place and to be alert, more than anything due to the increasing influence of China in the basin.

A Call to Prevent Obstacles to our Path to the Future:
The Hague Case should not Slow Down the Cooperation Agenda
From El Comercio, a Peruvian News Daily
Translated into English by Ryan S. Keller

The leader of the Chilean opposition party, Sebastián Piñera, met with García. 3/25/08

“I hope that Chile as well as Peru, who are currently in this situation that is in the hands of The Hague tribunals, will have the greatness and wisdom to not wait 6, 7, 8 years for the decision, and that we start this very day to take steps towards a future of greater collaboration, integration and friendship.” This was the opinion expressed yesterday by the leader of the Chilean opposition, Sebastián Piñera, after meeting for an hour with President Alan García in the Palace.28

“It would be a tremendous error if, because of a discrepancy and distinct positions, we halt our progress on the roads to the future between Chile and Peru. As a result, I believe that today more than ever we must strengthen our dialogue and collaboration. We need to act with more imagination, with more audacity, and with more strength to push this agenda towards the future.”

Piñera, who defended his country’s position before The Hague, summarized his views by saying that this was a matter that said tribunal should resolve.

“It is in the hands of The Hague tribunal, and I recognize, share and support the position that Chile has permanently held in this matter; Peru has its own position, and it will be The Hague tribunals that are in charge of resolving this.”

On Tour through Latin America

Before arriving in Peru, Piñera visited Bolivia and then headed to Argentina in what is understood to be a preparatory trip for a presidential candidacy he will launch in Chile.

In Lima, President García was not the only person with whom he met. He had barely arrived Sunday night when he met with the Minister of the Economy, Luis Carranza, and yesterday, after his meeting with the President, he met with the Chief of the Cabinet, Jorge del Castillo, with Chancellor José Antonio García Belaunde, with whom he had lunch, and with the President of Congress, Luis Gonzales Posada.

“Both he (García) and I still think the same thing: that Peru and Chile must advance along the paths to the future and not remain as prisoners of past differences (…) Chile and Peru have two agendas: one is the agenda of the past, which has divided us, and the other is the agenda of the

28 Translator’s Note: This is referring to Peru’s Government Palace, which is the Peruvian President’s official residence and is the seat of the executive offices.
future, which must unite us (...) The joint projection of Peru and Chile toward the Asia-Pacific area favors both countries.”

Last night, Piñera headed a panel event at the University of Lima, which also featured ex-Minister of the Economy Pedro Pablo Kuczynski and the leader of the PPC29, Lourdes Flores Nano.

More Facts

- Sebastián Piñera is a Chilean economist, businessman and politician. He is a member of the center-right National Renewal (RN) Party.

- Piñera was a Senator between 1990 and 1998 and was a presidential candidate in 2005 for the Alliance for Chile Party. He was defeated in the second round by Michelle Bachelet.


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29 Translator’s Note: Christian People’s Party/Popular Partido Cristiano
The filming of a movie on the famous character James Bond, created by Ian Fleming, has inconvenienced Antofagasta’s Chilean authorities. The movie is about a new role for the British super-agent, which consists of fighting against narcotrafficking mafias on Bolivian territory in South America. For reasons of comfort, which the film industry prefers, the movie’s producers decided to film scenes set in Bolivia in Antofagasta. However, Chilean authorities and area residents reacted indignantly because Chilean territory is being portrayed as if it were Bolivian.

Perhaps in other circumstances the fiction would not have inconvenienced anyone, but this is a city that was occupied militarily by Chile in the invasion of 1879. That is to say, Bond has come to reopen an old wound. The Chilean Government could have let the action go by without comment, but it reacted by becoming bothered, perhaps because a few days earlier the residents of a small nearby village hoisted up the Bolivian flag as a form of protest due to their unmet demands to local authorities.

Some Chileans marched with placards protesting that they are not Bolivian Indians, but rather civilized Chileans. These scenes of anti-Bolivianism put in question the closer ties that Evo Morales’ government has been promoting, proclaiming that diplomacy between the two peoples are capable of overcoming the differences between the two countries. These protests also come just after the failure of the Chilean government’s project that planned to concede port and warehousing facilities in Iquique to Bolivia.

James Bond comes to these coasts at a time when Chile and Peru are also currently in a moment of diplomatic tension due to the Peruvian demand for a modification to the delimitation of the territorial waters between the two countries. This friction caused a surge of allusions to Bolivia by Chile, whose authorities said that the Peruvian demand puts at risk a solution to Bolivian maritime demands.

According to the Peruvian government, Chile only talks about a Bolivian ocean when it has problems with Peru, and never with the Bolivians themselves.

Bond came to do Bolivia a favor, since now things are becoming clearer in the relations with the countries that separate us from the Pacific.