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# **Drivers of Strategic Contestation: The Case of South America<sup>1</sup>**

Daniel Flemes and Leslie Wehner

## **Abstract**

This article analyses what the drivers of contestation of secondary powers vis-à-vis the regional power are, differentiating therein between structural, historical, behavioural, and domestic such drivers. We argue that in regions characterized by relative stability where major interstate violent conflicts are unlikely, as is the case in South America, secondary powers rely mainly on soft-balancing mechanisms vis-à-vis the regional power. Whereas Brazil's foreign policy behaviour is key to South American secondary powers being induced to contest the country's powerhood, the choices that the foreign policy elites of those secondary powers make regarding what the specific expression of soft balancing is to be are influenced by certain domestic groups. Empirical examples are given of Argentina, Chile, Colombia and Venezuela as secondary powers unfold these domestic drivers, which shape their different ways of soft balancing Brazil. The article thus explains why some secondary powers rely more on institutional binding, others on economic statecraft, or buffering, while others contest by offering and building alternative leadership proposals.

**Keywords:** secondary powers, regional powers, politics of contestation, foreign policy strategies, Brazil, Argentina, Colombia, Chile, Venezuela

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## INTRODUCTION

This article investigates the systemic and domestic drivers underpinning the accommodative strategies of contestation that secondary powers employ vis-à-vis regional powers (see Lobell, Williams and Jesse, this special issue). It analyses the variance in the strategic responses of secondary powers to the regional power in regions experiencing low levels of conflict. The theoretical argument presented elaborates on the interplay between the opportunities available to secondary actors, systemic and sub-systemic forces by unpacking the motives and dynamics that drive the diverging responses of Argentina, Chile, Colombia and Venezuela – countries that rely on the enactment of soft-balancing behaviour towards Brazil. These countries are secondary powers, defined as the second most powerful states in the regional hierarchy, whose position is determined by their relative material and/or ideational capabilities (Ebert et al., forthcoming; Flemes, 2009).

The article advances the argument that hostile approaches – in the form of hard-balancing behaviour – are not part of the secondary powers' strategies in regions where major interstate wars are unlikely to occur due to the existence of a climate of relative stability. Instead, secondary powers' status positions are linked to playing the role of soft-balancer (Wehner, forthcoming) vis-à-vis a regional power in those regions where rivalry is replaced by competitive patterns. Thus, soft balancing is not a revisionist strategy designed to reconfigure the regional order; rather, it only aims to hamper and constrain the further rise of the regional power (see Shaw, this special issue). The purpose of soft balancing is to even out or ameliorate the existing asymmetric distribution of power, and to frustrate the most powerful actor's fulfilment of its foreign policy goals by increasing its costs of action (see Lobell, Jesse and Williamson, this special issue; Pape, 2005; Paul, 2005).

Soft balancing includes a pool of discursive and institutional instruments, such as the formation of limited diplomatic coalitions so as to constrain the superior power (Flemes, 2011, 406ff.). ‘Buffering’ aims to extend weaker states’ room to manoeuvre vis-à-vis stronger states (Greenfield, 1983). It also involves the use of economic means – that is, economic statecraft – by strengthening economic ties between those peers questioning the legitimacy of unilateral policies (Saltzman, 2012). ‘Entangling diplomacy’ refers to the use of the rules and procedures of international institutions to influence the primary state’s foreign policy choices (Paul, 2005, 57). ‘Binding’ strategies aim to restrain stronger states through the concluding of institutional agreements (Ikenberry 2003).

South American secondary powers’ soft-balancing might be driven by different factors. On this basis, foreign policy theory scrutinizes the balance between existing domestic and systemic drivers. These encompass structural, historical, behavioural and domestic drivers of contestation, yet the most generalizable characteristic of a state’s international behaviour is still its relative position in the international system (Zakaria, 1992, 482). Thus, we show that the international and regional systems tend to narrow the choices of secondary powers to contest the regional power. However, secondary powers are still responsive to domestic groups. The secondary powers’ room to choose its best possible strategy and still allow the influence of domestic groups can be observed in these states’ selection of the policy-area to contest the regional power. We also show that domestic politics can triumph over systemic and regional forces whenever the environment surrounding these states’ relations is low conflict and peace driven, though it still shows competition between state actors.

Secondary powers have a two-sided systemic position. On the one hand, they formulate their foreign policy under the condition of factual, perceived and/or anticipated inferiority to the primary power and on the other, likewise regarding their superiority to the other states of the region (Ebert et al., forthcoming). This article assumes that if a region consists of one

primary and more than one secondary power, then the secondary powers' relative systemic positions do not deviate considerably from each other. Thus, the relative position of each is not the most decisive factor in the apparent variation in regional secondary powers' chosen strategies, though the regional distribution of power might narrow the range of alternative options available. Implicit in this assumption is the idea that sub-regional systems show similar dynamics to those of the international system, as they are ultimately embedded in that all-encompassing structure (Jesse et al., 2012, 8–9).

Thus, domestic actors have the greatest impact on foreign policy in times of peace and stability (Ripsman, 2009, 186). In a security-abundant environment, the costs of allowing domestic actors to contribute to the making of foreign policy are low and the foreign policy executive (FPE) will hence be more willing to make concessions to domestic groups. Put different, this responsiveness to powerful domestic groups' choices may explain the variance of secondary powers' responses, specifically in terms of the tactics that are employed as part of the soft-balancing mechanisms.

The remainder of the article proceeds as follows: First, the underlying causes of secondary powers' contestation are analyzed, moving from hard to soft-balancing; in this section the structural and historical drivers of contestation in the South American region are presented. Further, the article also pays attention to the regional power's foreign policy behaviour as being key to inducing the contestation of secondary powers, a claim which is subsequently illustrated through taking up the case of Brazil. Second, the domestic factors triggering contestation and explaining the variance in the ways that secondary powers soft balance regional powers are also developed, and are then connected to brief empirical examples from Argentina, Chile, Colombia and Venezuela – secondary powers all contesting Brazil's rise. Finally, the article analyzes the validity of the theoretical argument in light of the cases presented.

## **DRIVERS OF SECONDARY POWERS' CONTESTATION**

### *Structural and Historical Drivers*

Regional uni-, bi- and multipolarity may stimulate secondary powers to pursue different forms of contestation (see Lobell, Jesse and Williams, this special issue; Ebert et al., forthcoming; Flesmes and Wojczewski, 2011). A unipolar security cluster is likely to make secondary powers contest the dominance of a certain state, whereas under conditions of regional multipolarity it might be difficult to identify a single appropriate target of contestation. However, a road to multipolarity unfolding may trigger competition for predominance, as secondary powers attempt to acquire the necessary capabilities to be able to match the regional power. In situations of regional bipolarity – in which one of the existing secondary powers develops capabilities that surpass those of the rest of the secondary powers, done with the purpose of matching the power of the regionally predominant state – contestation is two-dimensional. First, the secondary powers tend to constrain the accession of the dominant secondary power to regional 'powerhood'. Second, the existing regional power will also unfold strategies to hamper the dominant secondary power's transition to regional power, such as coordinating with other secondary powers or becoming directly cooperative with the new challenger in order to constrain any potential negative effects for the regional power from these developments.

Strategies of contestation can be driven by historical experiences of conflict, and also by their legacies. Historical drivers must be seen as directly connected to the behavioural drivers of contestation, as secondary powers interpret historical experiences in light of the current

relationship between given states (Hwang, 2003). Secondary powers that have been victims of the regional power's aggression in the past may not accept the latter's contemporary claim to leadership. Negative historical experiences and unresolved conflicts are likely to give rise to impressions of rivalry, which become part of the collective memory of the secondary power (He, 2008). Hence, threat perceptions held by secondary powers manifest in their chosen security strategies. Alternatively, military and defence cooperation between the regional and the secondary power in terms of exchanges of personnel or joint manoeuvres hint at a certain degree of mutual trust.

The type of regional polarity and the security order in which the relationships between Brazil and the South American region's secondary powers are embedded have not changed significantly during the last decade. What changed is the US presence in South America. The US' priorities in other regions because of the war on terror gave enough room for Brazil to extend its leadership in South America despite the US still shows a degree of engagement as global hegemon on this region (see Lobell, Jesse and Williams, this special issue). Moreover, historical drivers of contestation are not key in this regional setting. Consequently, the major policy shifts on the part of the secondary powers with regard to Brazil in the last decade are not connected to any significant historical or structural drivers; instead, it is the regional power's chosen foreign policy behaviour that may be the key to understanding the grounds for others' contestation in South America.

#### *Foreign Policy Behaviour Triggering Contestation: Brazil's Actions*

The contestation strategies of the secondary powers can be caused by the chosen foreign and security policy behaviour of the primary power. Whereas the dependence of the secondary power on the primary power makes strategic contestation less likely, a direct security threat

posed to the secondary state by the primary power is the strongest driver of contestation. The regional power can threaten the secondary power's core interests, such as territorial integrity and natural resources. Primary powers can also actively engage in intra-regional coalitions or military alliances with adversaries of the secondary power, either intentionally or involuntarily resulting in the isolation of the latter (Arquilla and Fuller, 1996). In the same way, the primary power's special relationships with those extra-regional great powers seen as foes by the secondary power are likely to trigger the latter's contestation (Alecú de Flers and Regelsberger, 2005). In this case, the secondary power's reaction will be influenced by the difference between its own and the primary power's threat perception with regard to the influence of the extra-regional power in question (Press-Barnathan, 2006, 308). In addition, secondary states are likely to contest in cases where the primary power abandons the 'rule-based order and act[s] unilaterally on a global scale' (Ikenberry, 2003, 5).

Moreover, passive behaviour on the part of a regional power can also trigger politics of contestation. Hence, it is assumed that an implicit or explicit claim to leadership must be substantiated as part of the rising power's regional strategy. If the most powerful state does not at least partially provide public goods (see Alden and Schoeman, this special issue), secondary powers will tend to contest the perceived use of the region as a power base for the rising power's global ambitions.

The more types of regional public goods that the regional power may provide, the less intense the politics of contestation on the part of the secondary power will be. The regional power can avoid contestation by: (i) providing public goods such as relative stability and infrastructure to its region and to pay a high proportion of the economic costs of cooperation (distributional leadership); (ii) sharing power with secondary states by including them in regional decision-making processes through multilateral summits, intergovernmental institutions or dual leadership patterns (multilateral leadership); (iii) projecting norms and



values based on its legitimacy and moral authority that include the ideational beliefs of the potential followers in order to gain their acceptance for a regional project (ideational leadership); or, (iv) guiding discussions based on inclusion, bridge political and ideological cleavages and articulate a pluralist agenda that leads to a discourse on regional consensus creation (consensual leadership).

For example, Brazil's willingness to provide public goods (distributional leadership) differs according to the issue-area under consideration. Brasilia is not ready to pay the costs of economic integration of groups like the Common Market of the South (MERCOSUR), but it is willing to do whatever is necessary to secure regional stability (Flemes and Wojczewski, 2011, 12). This country also provides regional stability through its various mediation engagements and security cooperation initiatives (see Merke, this special issue). Additionally, Brazil invests in the public goods of regional energy security and infrastructure (Initiative for the Integration of Regional Infrastructure in South America, IIRSA).

The acceptance of Brazil's leadership in South America also depends on its ability to bridge political and ideological cleavages through the unfolding of an ideational leadership project. In this regard, Brasilia tries to guide the states of the region towards the shared goal of realizing a South American space. Brazil has to this end successfully established a regional consensus on democracy, human rights, development, the eco-social market economy and regionalized responses to the challenges of economic globalization (Flemes, 2009; Burges, 2008).

Nevertheless, the articulated discourse of justice and democracy is currently not being put into practice – ultimately because Brazil is not building inclusive and democratic institutions. In fact, regional groups such as the MERCOSUR and the Union of South American States (UNASUR) led by Brazil do not have significant competencies. Brazil leads these institutions without making economic concessions or transferring sovereignty to them

(see Burges, this special issue). Therefore, it currently provides multilateral leadership only to a limited degree, done through intergovernmental summits and institutions (Flemes, 2009, 171).

Thus, Brazil's low-key multilateral leadership and its selective distributional leadership are crucial factors behind others' contestation in a region characterized by a low level of conflict. However, Brazil does not discriminate between the relevant secondary powers in its (limited) provision of this multilateral and distributional leadership. What in reality varies, therefore, are the secondary powers' expectations and perceptions of Brazil's behaviour and leadership provision.

#### *Domestic Drivers of Contestation: South American Secondary Powers' Own Circumstances*

Endogenous forces may also have an impact on the types of contestation secondary powers unfold towards the primary power. Rose (1998, 161) argues that the magnitude of the impact of these endogenous forces always depends on 'the state apparatus and its relation to the surrounding society'. The relative autonomy of the FPE from the influence of domestic actors is also an important factor shaping the type of foreign policy strategies that a state chooses to enact. In fact, theoretically the relative autonomy of the government is expected to be more important than the type of regime is (Ripsman, 2009, 171). Thus, the more autonomy that a FPE has from domestic groups, the fewer concessions it has to make in the process of extracting the necessary resources to carry out security and foreign policies.

Further, the possession of state power and making concessions to domestic groups are not without costs for the government (Taliaferro, 2007, 156). In this sense, the more influential domestic players will be those with sufficient power to remove national executives from office (whether through the ballot box or a coup d'état), those who can act as veto

players – and thus if so inclined obstruct the government’s programmatic goals – or those who can shape how national interests are defined. In non-democratic states, potential veto players such as powerful bureaucratic actors, religious leaders, economic elites and the military can obtain policy concessions from the executive (Ripsman, 2009, 185). In a democratic state, the legislature – either as a whole or through its key legislative committees on foreign affairs – might be a key veto player that is able to channel public opinion, including through harnessing the power and influence of single-issue interest groups and/or the media.

Therefore, changes of government brought about by elections, preferences for protecting relevant economic interests as well as those of the military and certain foreign policy groups, the stipulations of parliament and the demands of public opinion may all impact the way in which a secondary power contests or cooperates with the regional power in the context of regional affairs. Neoclassical realists argue that foreign policy choices also depend on the FPE’s perceptions of relative power, and thus not simply on absolute material resources (Rose, 1998, 147). Consequently, (mis)perceptions regarding the regional distribution of power and polarity can drive a state’s chosen strategy (see Blarel and Ebert, this special issue). The FPE might also be constrained since there is no internal consensus within it about the most appropriate assessment of the international environment. A change of government brings new leadership and elite perceptions, which affect the international behaviour of the state (Jervis, 1976) – especially when the new government has a different ideological orientation from the previous one; simultaneously, however, such change also opens up new directions in the foreign policy agenda.

Foreign policy decision-makers and societal leaders in secondary states might also respond to shifts in the relative distribution of particular capabilities – specifically, to ones that threaten their core strategic interests. The perception of the primary state held by the

elites of the secondary state is, therefore, ‘in part a function of which component of power is rising’ (Lobell, 2009, 55). Specific examples of such components might include shifts in territorial boundaries, population, ideology and/or military or economic power (Spiegel, 1972). For instance, economic elites may also push the state to pursue and promote a closer relationship with the emerging power if this primary actor’s economic growth potentially can have a positive influence on powerful economic actors from within the secondary state. On the contrary, if the primary regional actor pursues self-serving economic strategies that negatively affect influential domestic coalitions in the secondary state, then the government of the latter – in response to domestic pressures – may develop counter-policies so as to ameliorate exclusive economic dependence on the unsupportive regional power.

An example of the influence of domestic groups in the politics of contestation is Argentina under the presidencies of Néstor Kirchner (2003–2007) and Cristina Fernández de Kirchner (2007–present). At first glance, structure may explain most of the chosen behaviour of Argentina vis-à-vis Brazil, given that they have previously had a relationship of competitive-partnership and that their long-term relationship has evolved from one of hard to one of soft balancing (Malamud, 2011; Russell and Tokatlian, 2003). Argentina has been soft balancing Brazil through the use of tactics of institutional binding, specifically as a result of the creation and development of the MERCOSUR on the basis of the two countries’ parity therein (Malamud, 2011). Argentina has also supported the launch of other groups that can serve to institutionally bind Brazil in South and Latin America respectively, such as the aforementioned UNASUR as well as the Community of Latin American States (CELAC) (Wehner, forthcoming; Tokatlian, 2013). Further, Argentina has also relied on buffering tactics by developing ties with peers such as Venezuela, which was fully incorporated into the MERCOSUR in 2012. However, Argentina has developed not only strong ideological affinities with Venezuela but also a relationship based on economic needs. Venezuela acted

as lender of last resort to Argentina when the latter experienced a severe currency crisis in 2001 and was unable to access credits from multilateral institutions (Flemes and Wehner, 2012). Such an alliance has also been used to reduce their asymmetric political and economic dependence on Brazil (Simonoff, 2008, 49), inasmuch as domestically driven economic problems in both countries have brought them closer together in recent years.

As a consequence of the aforementioned economic crisis of 2001, the most pressing priority of the Argentinean government was the economic recovery and reindustrialization of the country. To this end, Argentina adopted the defensive economic strategy of trying to reduce its economic dependence on Brazil – its main trade partner – in order to protect (and retain the supportive of) part of Kirchner’s electoral base. Argentina favoured domestic economic coalitions from the industrial sector (producers and workers) reduced the impact of strong regional and international actors such as Brazil, the US and China by implementing such measures as the controlling of trade flows, the application of voluntary export restraints and the implementation of other ad hoc forms of economic protection (Flemes and Wehner, 2012). Brazil adopted a tolerant position on this matter, as it had also been hit by the economic crisis (with the devaluation of its currency, the real) and itself adopted protectionist measures for its most vulnerable economic sectors (Guadagni et al., 2010, 15). However, these type of measures have since remained in place in Argentina even after the country’s eventual recovery, expressing in a way that economic statecraft is a key component of Argentina’s soft-balancing strategy when it comes to Brazil.

Chile, meanwhile, has pursued a rather different path of contestation due to the influence of domestic politics vis-à-vis Brazil’s leadership (Flemes and Wehner, 2012), despite both it and Argentina being secondary powers and consequently both relying on a soft-balancing roles (Wehner, forthcoming). Like Argentina, Chile listens to its domestic economic groups – but, unlike its neighbour, it prioritizes the free trade group that is aligned in ethos with the

state interest and model of export promotion. Thus, Chile has determined its economic goals to lie first and foremost outside of Latin America, apparent from its negotiating of free trade agreements (FTAs) with the different economic hubs and powerhouses of the world (Wehner, 2011). Lately it has pursued the same strategy in the South American region, done by following the same path to FTAs and by supporting the Pacific Alliance – the latter is a commercial trade group (Chile, Colombia, Mexico and Peru) that aims at increasing intra-regional trade, as much as it also seeks extra-regional trade opportunities in the Asia-Pacific region (Wehner, forthcoming).

In the relationship with Brazil, Chile's emphasis on FTAs represents its desire to retain its freedom to decide with whom it negotiates FTAs; Chile rejected Brazil's invitation to join the MERCOSUR as a full member in 2000. This happened despite the fact that the MERCOSUR had since its inception been harbouring the aspiration that Chile would one day become a full member (Wehner, 2011). Instead, Chile decided to maintain its economic autonomy and thus chose to adopt only associate status (1996), reflecting a balking strategy in its turning down of Brazil's repeated invitations to become a full member of the group (Lapp, 2012, 151). This meant that Chile could continue to avoid economic and possibly also political dependence on the MERCOSUR (Mullins, 2006, 123). This regional group does not allow members to negotiate FTAs outside of the regional platform, being part of which may have constrained Chile's interests – and those of its pro-market domestic economic groups. Joining the MERCOSUR would also involve Chile having to adopt the higher tariff rates of the group, which would also have significant consequences for its own domestic importers (Wehner, 2011).

Therefore, the Chilean strategy of soft balancing has been one based on the resort to economic statecraft and buffering. Chile chose to pursue the building of economic ties with the European Union, Japan and the United States in the early 1990s, followed later by the rest

of the Asia-Pacific countries; this overall strategy of diffusing and reducing economic and political dependences was designed to create room for manoeuvre vis-à-vis the great and regional powers. Recently such an approach has become even more pronounced with the creation of the Pacific Alliance, wherewith Chile, Colombia and Peru have brought Mexico into Brazil's sphere of influence as a potential contender to it (Wehner, forthcoming). Again, this strategy balances the structural needs of the Chilean state, and additionally serves the purposes of the domestic group of free traders – as the Pacific Alliance has a commercial vocation that also creates political consequences for the Brazil–Chile relationship. Finally, Chile has also relied on institutional binding mechanisms by giving support to the creation of the UNASUR and CELAC, and also by leading the security cooperation in the former (along with Argentina). Yet, Brazil has given the space to Argentina and Chile to lead this issue-area, as it matches with its own security agenda. Nevertheless, Brazil has been reluctant to engage in the CELAC, whereas Chile and Argentina have welcomed such an initiative as a non-binding forum that constrains Brazil and places it and Mexico under the same institutional umbrella (see Tokatlian, 2013, 28).

Unlike Argentina and Chile, Colombia has had a passive relationship with Brazil – traditionally it bandwagons with the US for internal security reasons, which has given rise to distant relations with its South American neighbours as they look on the US playing a role in regional security matters with great scepticism (Cardona, 2011). In fact, Colombia was reluctant to countenance the idea of a UNASUR led by Brazil, as it was perceived by the country's FPE as a platform both espousing an anti-American rhetoric and opposed to 'Plan Colombia' – a set of policies sponsored by the US to aid the fight against Colombian drug-trafficking and paramilitary groups. Even though the military alliance with the US reflected in Plan Colombia was not directed against Brazil, it still by its mere existence undermined the regional power's geostrategic interests in South America. Even up until Álvaro Uribe's

presidency (2002–10), the main concern of the Colombian administration was the war on drugs and thus foreign policy was determined by US-backed security needs. Thus, if Colombia can be said to have contested Brazil's leadership, it has done it on the basis of building alliances with third states (see Merke, this special issue) and not by cultivating a strong relationship with this regional power (Pastrana, 2011).

However, under the Juan Manuel Santos administration (2010–present) a change in Colombian foreign policy priorities can be observed. The continued growth of negative public opinion and perception regarding the country's relationship with the US, and of the rest of South American states with Colombia, has led the FPE to shift the focus away from the US and the related security agenda towards one that includes regional, commercial and security cooperation with its South American neighbours. However, Colombia's involvement in South American affairs is not only driven by its seeking of partnerships but also by its aspiration to building up its leadership capacity (Pastrana and Vera, 2012, 188), which may implicitly be detrimental to Brazil's own project in the long run. Moreover, Colombian domestic groups support this initiative as it promotes a commercial agenda based on free trade. Yet, some important and traditional groups still advocate agriculture protectionism, especially if Colombia henceforth seeks to deepen its trade exchange with Brazil (Pastrana, 2011, 11).

Further, the new Colombian FPE agenda also goes beyond allying with Brazil alone, as domestic pro-FTAs groups have helped shaped the trade strategy of the country's government by prioritizing the importance of the relationship within the Pacific Alliance and the Asia-Pacific region. Thus, domestic groups have also played their part in foreign policy strategy, and have led Colombia to adopt a selective contestation policy towards Brazil. The building of economic ties within the Pacific Alliance, and the entry into the Asia-Pacific region, thus balances the importance of the Brazilian option (Flemes and Wehner, 2012).



Moreover, as advocated for by domestic economic groups, the Pacific Alliance also helps to build a leadership capability that may enable competition with Brazil, or at least reduce the asymmetry with it (Pastrana and Vera, 2012, 209-216). In sum, Colombia initially soft balanced Brazil by negating its leadership and by recognizing such a role for the US, while recently it has adopted a more proactive soft-balancing behaviour based on economic statecraft and buffering; the latter two tactics resemble in part Chile's own strategy.

Venezuela is a revolutionary country, being so first under the leadership of Hugo Chávez (1999–2013) and now continuing to be so with Nicolás Maduro (2013–present) standing at the helm (Wehner, forthcoming). Venezuela harbours the ambition of leading in the South American region. Thus, contestation is a recurrent phenomenon in the relationship with Brazil– as part of the ongoing revolutionary process in which the diffusion of the Bolivarian ideal will be key for building up leadership in South America (Burges, this special issue; Flandes and Wehner, 2012; Flandes 2009).

Venezuela's contestation has been more salient than that of the other three secondary powers, because it has tried to openly compete with Brazil for regional leadership. Venezuela created an ideologically driven regional project, the Bolivarian Alternative for the People of Our America (ALBA), in 2004 – herein Venezuela exerts exclusive leadership and brings together left-oriented governments from Bolivia, Cuba, Ecuador and Nicaragua. Furthermore, it has developed the ideas of a 'South American NATO', a regional broadcasting company (Telesur) and a development bank (Banco del Sur) – all of which were projects not supported by Brazil. As well, Venezuela has concluded numerous bi- and sub-regional energy agreements with the Caribbean states (Petrocaribe), the Andean states (Petroandino) and the Southern Cone states (Petrosur), who receive Venezuelan oil at favourable prices (Flandes, 2009, 172-176). This strategy was intended to increase the asymmetrical economic

dependence of small powers on Venezuela, thereby giving the latter the necessary leverage to exert regional leadership.

Most of the aforementioned initiatives were possible because Chávez was able to increase the Venezuelan government's relative autonomy from domestic groups – mainly the opposition, but also the country's legislative and judicial institutions. Domestically, the Bolivarian revolution reached a point of consolidation in 2003, and the resource capacity of the state to pursue security and foreign policy goals increased with the definitive re-nationalization of the oil company PDVSA in that year (Raby, 2011, 163–164). Moreover, Chávez's politics of arms acquisitions from Russia were not only a reflection of how Venezuela perceived its security position vis-à-vis the influence of Colombia and the US in the region (Jácome, 2011, 3), but also represented the making of a concession to one of its main domestic allies in the carrying out of the revolutionary project: the armed forces.

However, Venezuela's strategy of building up leadership in the ALBA has also been supplemented by its attempts to increase its presence within the UNASUR, and thus to use such a platform to institutionally bind Brazil (see Burges, this special issue). This has also been the case for the CELAC. Venezuela was, along with Argentina and Mexico, one of the proactive countries in the creation of this regional group, whereas Brazil was not openly in favour of it because of competing rationales with Mexico and Venezuela over Central America – a disputed zone of influence, and one where the US is also present. Brazil has hitherto mainly cast its zone of influence in South America instead (Tokatlian, 2013). Thus, some of Venezuela's contestation of Brazil is based on the former's interest of exerting leadership. However, such contestation has also emerged because of the concessions the Venezuelan government gives to those domestic groups that support the revolutionary project.

Although the new government of Maduro is currently experiencing economic and political problems –inflation, public debt, and the strong pressure of groups opposed to the government– it has still tried to retain its goal of offering a leadership alternative in South America to compete with Brazil and contest the rise of the Pacific Alliance (Wehner, forthcoming, footnote 5). These internal problems currently limit the international reach and influence of Venezuela, and also serve to dilute the concession–transaction nexus between the country’s FPE and domestic interest groups. The outcomes witnessed are thus associated with the increased costs that the state now faces in giving concessions to domestic groups, and also with its (diminished) capacity to obtain backing from key domestic groups.

## **CONCLUSION**

This article has, by way of the South American context, explored from a theoretical perspective the domestic drivers underpinning the accommodative strategies of contestation chosen by secondary powers vis-à-vis regional powers in regional settings with low levels of conflict. The analysis has also given recognition to the importance of systemic drivers, offering in this way a balanced perspective on the politics of contestation of secondary powers with regards to the regional power. Structure definitely plays its part in the selection process of strategies, as secondary powers positions are connected to the soft-balancing behaviour required in relatively peaceful regions. However, secondary powers also enjoy a significant degree of agency (see Shaw, this special issue), as they choose the tactics with which to contest regional powers according to their own interests and relative to the influence of key domestic actors – be these members of the same government, of the legislative, of economic interest groups, security and defence actors or agents of public opinion.

The theoretical premise of this article was investigated by unpacking the motives and dynamics that drive the diverging strategic responses of Argentina, Chile, Colombia and Venezuela to Brazil's regional powerhood. Yet, understanding contestation also depends on identifying what it is being contested by the secondary power – which depends largely on the chosen foreign policy behaviour of the regional power. This was explored theoretically and empirically in this work through scrutinizing the case of Brazil. Secondary powers in South America rely on soft-balancing, but they nevertheless tend to contest Brazil in a number of different ways. Some rely more on institutional binding, others on economic statecraft, or buffering, while others contest by offering and building alternative leadership proposals. However, the choice by each respective FPE to use one (or more) of these tactics depends, as has been shown, on the influence of specific domestic groups. Thus, the divergence in modes of contestation is due primarily to circumstances existing at the domestic level. That said, the state is ultimately still the principal actor involved in the selection process, as it retains the freedom and leeway to prioritize one group over another – the FPEs do this following a cost-benefit rationale regarding the state's ability to generate the necessary resources for the fulfilment of its overseas goals.

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