

Ecuador and the European Union: The Bargaining Power of Small States in Inter-Regional Negotiations

Ecuador y la Unión Europea: el poder de negociación de los pequeños estados en las negociaciones interregionales

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This paper analyses the trajectory of Ecuador as a small state within the inter-regional negotiation process for the completion of a Multiparty Trade Agreement (MTA) between the European Union (EU) and the Andean Community (CAN). It considers some of the influential factors that shaped this inter-regional relationship, particularly Ecuador's bargaining power *vis à vis* the EU, in order to shed light upon the clout the country was able to exert in such a negotiation. It also discusses some dimensions that highlight Ecuador's small country status (smallness) and the variations within inter-regional dynamics. Some findings and remarks are provided to conclude.

Keywords: smallness, bargaining power, inter-regionalism, Multiparty Trade Agreement, Andean Community.

Este artículo analiza la trayectoria de Ecuador como pequeño estado dentro del proceso de negociación interregional, para la suscripción de un Acuerdo Comercial Multipartes entre la Unión Europea (UE) y la Comunidad Andina (CAN). Considera algunos factores influyentes que moldearon esta relación interregional, particularmente el poder de negociación de Ecuador frente a la UE, el cual revela la influencia que el país ejerció en dicha negociación. Además, discute algunas de las dimensiones de la pequeñez de Ecuador y las variaciones del inter-regionalismo. Finalmente, y a manera de conclusión, el artículo ofrece algunos hallazgos y comentarios.

Palabras clave: *pequeñez, poder de negociación, inter-regionalismo, Acuerdo Comercial Multipartes, Comunidad Andina.*

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INTRODUCTION

“If Lilliputians can tie up Gulliver, or make him do their fighting for them, they must be studied as carefully as the giant” (Keohane, 1969, p. 310). This citation echoes a personal interest to contribute to the study of smallness and the unconventional idea that small states are often critical players with considerable agency within inter-regional dynamics. This article therefore attempts to broaden the debate on the relations between regions by acknowledging the importance of actions carried out by small states to conclude agreements and institutionalize relations. Focusing on the Ecuadorian trajectory in regard to negotiations with the EU, it seeks to address one central question: to what extent did Ecuador have bargaining power within the institutionalized inter-regional relationship between the CAN and the EU?

Accordingly, it puts forward the following hypothesis: shaped and molded by virtue of their smallness, small states have advocated for their own fixed preferences, thereby fragmenting the inter-regional model traditionally established by the EU. Influential factors, prompted by political and socio-economic representations, have triggered different degrees of real influence in order for inter-regional negotiations to prosper and conclude.

To expand upon this hypothesis, this study first assesses Ecuador's singular inter-regional path in negotiations with the EU. Secondly, it examines the literature on small states and sheds light upon the debate about some conditions that have traditionally illustrated smallness, such as vulnerability. Finally, it surveys the influential factors that could have shaped the CAN inter-regional negotiation with the EU.

Ecuador, depicted as a small state within the inter-regional relationship with the EU, had agency capacity, while being confronted to its vulnerability. Similarly, its bargaining power was demonstrated in the real influence it exerted to alter the agreement's outcome while making the most of its vulnerability vis à vis its European trade partners. These form part of this article's narratives which demonstrate the bargaining power a small state can have in an inter-regional negotiation. It also nourishes the debate about small states' capacities and how they can shape different inter-regional dynamics (Bizzozero, 1999, 2000; Thorhallsson, 2006; Cooper & Shaw, 2009; Baldacchino & Bertram, 2009).

METHODOLOGY

This article uses empirical information based on data collected in the field to answer the research question. A total of 16 semi-structured interviews¹

¹ Through open-ended questions, semi-structured interviews enable hypothesis testing, based on prior knowledge and understanding of the researcher but also allowing interlocutors to speak openly on their

were conducted in Quito and Guayaquil, Ecuador in April and May of 2019. To access the different profiles to be interviewed, potential participants that could be entry points were identified and contacted in advance in order to establish a first connection in the field. Contacts were found using a snowball sample method, in which “informants refer the researcher to others, who are contacted by the researcher and then refer her or him to yet other informants” (Noy, 2008, p. 330). Nevertheless, a variety of actors were interviewed: high and medium-level decision-makers, negotiators, technocrats, public officers, private representatives, scholars, and political stakeholders. This variety of profiles allowed for a broad overview of the different levels of analysis regarding the negotiation process with the EU. The conversations focused on capturing the opinions of key actors on the extent of Ecuador's bargaining power in the inter-regional negotiations between the CAN and the EU.

Apart from the collected data, this study employs secondary literature including official documents issued by national and regional public institutions as well as media coverage and analytical papers, many of them from local researchers. These sources provided essential background information on the inter-regional negotiations. They proved suitable in going beyond the individual level analysis and in providing consistency between the narratives, the events, and decisions that led to a particular outcome, which are analyzed throughout this article.

1. Historical Background of the EU-CAN Inter-Regionalism

The relationship between Latin America and the Caribbean (LAC) and the EU has historically been based on close cooperation and solidarity. In this context, bi-regional types of summits have taken place since at least 1990.² This has paved the way for deeper commitments in areas of common interest. For instance, an EU-CAN Cooperation Framework Agreement³

subject (Leech, 2002, p. 665).

2 Through the Rome Declaration of 20 December 1990, the EU-Rio Group Dialogue was institutionalized. Since then, bi-regional summits have been taking place on a biennial basis, even if the LAC region has faced various changes in its institutionally. However, the Ibero-American Summits have also been held since 1991. Nevertheless, in 2010, the Community of Latin American and Caribbean Nations (CELAC) took leadership of the bi-regional interactions and replaced the Rio Group Summits (Portales, 2015, pp. 222-227). In fact, it is necessary to point out the difference between bi-regional and inter-regional types of relations. The former took place during the times of the ECC and the Andean Pact, whereas the turning point towards inter-regionalism occurred with the establishment of the Andean Community- CAN in 1997.

3 In fact, these relations date back to a previous framework agreement between the European Economic Community and the Andean Pact (founded in 1969 by Bolivia, Colombia, Ecuador and Peru and Venezuela who joined in 1973) based on economic cooperation in 1983. It was replaced 10 years later by the Cooperation Framework Agreement, which had a wider focus, on human rights and democracy and integrated human development and regional integration. See <https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=LEGISSUM:r14008>, accessed on June 16, 2021.

was signed between the two partners in 1993.⁴ This agreement established the foundations that have governed the relationship between both parties, including negotiations for deeper cooperation, trade, and political dialogue. Since then, the relationship between the EU and the CAN gained from the development of an institutional framework, and the dialogue would hitherto be sustained in high-level meetings. In 2002 during the Second Summit gathering between heads of state and governments from LAC and the EU, the CAN and the EU agreed to negotiate a Political Dialogue and Cooperation Agreement to serve as a building block to the negotiations for an Association Agreement⁵ (Acuerdo de Asociación) between the two regional blocs.

In 2003, the existing inter-regional relations were replaced by the Political Dialogue and Cooperation Agreement.⁶ This agreement extended the scope of cooperation to include new areas⁷, and special emphasis was placed on cooperation to strengthen the regional integration process in the CAN. This event laid the foundations for an inter-regional trajectory between the two partners and was the cornerstone of the negotiations towards a more comprehensive agreement (i.e. Association Agreement) following the mandate of the European Commission.⁸ Accordingly, this agreement had a strategic objective: to establish a free trade area (FTA) between the EU and the CAN. Particularly as the EU has been a niche market for Andean exports and has figured as one of the CAN's main trade partners.⁹ In April 2007, the EU adopted the negotiation mandate to initiate the process,¹⁰ whilst the CAN adopted Decision 667.¹¹ Four rounds of negotiations were held between

4 Decision 329 (CAN, 1993).

5 This agreement typically includes three main pillars: trade, cooperation, and political dialogue. Each of them are negotiated separately.

6 Decision 595 (CAN, 2004).

7 Such as human rights, conflict prevention, and migration among others.

8 A mandate is established by the European Commission before starting a negotiation. According to Cecilia Malström, former European Trade Commissioner, this is a document that defines the direction of any negotiation to be entertained by the EU. In order to be established, it is discussed within the private sector, civil society, and the EU Parliament. A mandate is rather technical and it states what you want to discuss in a negotiation, which is immediately made public. The EU parliament debates the mandate and adds some specificities, while the Commission includes Member states' needs. Global Leadership Masterclass attendance with the former European Commissioner for Trade, Cecilia Malström, organized by the Open Diplomacy Institute on May 19th 2021 See: <https://www.youtube.com/watch?v=uEjIEZODJq4>

9 The Regional Strategy Paper for the CAN (2007-2013) affirms that the CAN ranks relatively high amongst the EU's main trading partners (29th before Venezuela left), with imports and exports accounting for approximately 0.5% of the EU's world trade. The US is the principal trading partner for the CAN, followed by the EU. As regards FDI, the EU holds the largest portfolio of investments in the Andean Community countries. (p. 8). See https://eeas.europa.eu/sites/default/files/regional_strategy_paper_2007-13_en.pdf Accessed on June 16 2021. The reader should note that these numbers concern years before 2013, that is, before China changed this regional economic landscape and replaced the EU as the second more important trade partner.

10 See <https://www.bilaterals.org/?draft-eu-can-negotiating-directive&lang=en> accessed on June 16, 2021. Whereas, the EU Parliament published a recommendation to the mandate, see <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52007IP0080&qid=1527927070182&from=EN> accessed on June 16, 2021.

11 General framework for the negotiation of the Association Agreement between the Andean Community and the European Union see <http://www.sice.oas.org/Trade/junac/Decisiones/Dec667e.pdf> accessed on

2007 and 2008,¹² followed by dissension amongst the CAN members and fluctuations over Ecuadorian intentions to continue to negotiate with the EU. Within this context and in order to shed light upon Ecuador's intentions to sign up to the MTA with the EU, it is worth reviewing the inter-regionalism debate that follows.

2. *Inter-Regionalism: Ecuador's Transitional Period*

This section attempts to acknowledge the type of inter-regionalism that was present between the CAN and the EU. To begin with, many scholars maintain that the foundations of the EU's foreign policy are based on inter-regional mechanisms as a way to promote socio-economic development, democracy, and good governance through dialogue and mutual cooperation (Grugel, 2004; Smith, 2008, p. 109, as cited in Tèlo et al., 2015). In other words, the EU has been pursuing inter-regionalism as a key element in its trade policy (Aggarwal & Fogarty, 2005). Indeed, the foundations of the EU's inter-regionalism are represented by association agreements. Yet Europe has also yielded to other governance forms. For example, when dealing with North America, the EU interacts on a bilateral basis with Mexico, Canada, and the US (Aggarwal & Fogarty, 2005). In contrast, the case of EU-CAN has vacillated between several forms of inter-regionalism as discussed in the following section.¹³

Types of inter-regionalism

Aggarwal and Fogarty (2004, p. 5) as well as Hänggi (2000) deploy a characterization of inter-regionalism through the experience of the EU. First, they refer to pure inter-regionalism which essentially links two regional groupings with a certain level of integration, as developed by the economic integration theory.¹⁴ An example that illustrates this type of inter-regionalism is the EU-Mercosur Free Trade Agreement (FTA).

June 16, 2021.

12 In 2007 the first round of negotiations for the Association Agreement took place in Bogota, Colombia. It was followed by the second round (Brussels, December 2007) where the parties agreed on the objective of advancing as rapidly as possible on trade-related issues. During the third round, held in Quito, in April 2008, the parties stressed that asymmetries and differences are not only expressed between the two blocs, but also within the Andean Community, as Bolivia and Ecuador showed divergences with Colombia and Peru. Consequently, the fourth round was suspended as Bolivian and Ecuadorian governments were opposed to the terms of the negotiations.

13 To understand the fluctuations in the inter-regional relation among the two blocs, it is worth providing context. In fact, trade policy dissensions within CAN members, differences of their structural economic features and the dependence and vulnerability to external markets, all of these were factors that prevented the Andean countries to act as a regional bloc in their relationship with third parties and which ultimately caused Ecuador and Bolivia to abandon inter-regional negotiations (Alvear & Jaramillo, 2009).

14 See Balassa (1961).

Conversely, when a customs union negotiates with a counterpart with a different level of economic integration, other than a customs union or a free trade area, it is considered hybrid inter-regionalism (Aggarwal & Fogarty, 2004, p. 5). Nevertheless, Hänggi (2000) upholds that this type of inter-regionalism is about the relations between regional groupings and single powers, in the case where the single power has a dominant position in its region (e.g. Brazil in South America). However, these relations may also be considered as components of bi-regional or transregional agreements, or arrangements where one of the parties participates in its individual capacity, including a broader set of relationships than simply inter-state ones¹⁵ (Aggarwal & Fogarty, 2004, p. 5).

Söderbaum and Van Langhenove (2005) argue that “there are many instances when ‘regions’ are less ‘coherent’ and dispersed, but where the concept of inter-regionalism still makes sense” (p. 258). That said, although the CAN has been an uneven and complex counterpart in terms of integration, one could still elucidate an EU-CAN inter-regional relationship, yet of mixed type, as discussed in the preceding section. Ultimately, negotiations are a dynamic processes, as they evolve and can gravitate from one type of regionalism to another and from one counterpart to another.

The EU- CAN Trajectory: A Potential Transition?

Echoing the discussion above, the trajectory of the EU- CAN can be scrutinized in its different stages. The following sub-section offers one reading of this path.

i. 2003-2009: Pure Inter-Regionalism.

In this first stage, the EU-CAN trajectory exhibited pure inter-regionalism, as the two formally integrated regions established a Cooperation Framework Agreement in 2003. Consequently, inter-regional negotiations for an Association Agreement were officially launched in 2007 during the Tarija Summit in Bolivia. Nonetheless, in 2009, a turning point occurred in this inter-regional relation due to a rupture within the CAN regarding the terms of the Association Agreement negotiations. In addition to this, an external reordering took place during the same period. Firstly, with the signature of the Peru and Colombia - US FTA; secondly, with Venezuela's exit from the bloc in 2006; and finally, with Ecuador's withdrawal from “region-to-region” negotiations. All of which affected and eventually ended pure inter-regionalism.

¹⁵ A pertinent example of this is the EU-Japan relationship or the Transatlantic Trade and Investment Partnership (TTIP) between the EU and the US (Hänggi, 2000, p. 7).

ii. 2010-2013: The Transition Period.

During this second stage, Ecuador leveraged the banana dispute¹⁶ as a condition to resume negotiations with the EU. By then, Colombia and Peru had already advanced on their side. Concurrently, during an official visit to Europe, Ecuadorian President Rafael Correa met with German Chancellor Angela Merkel and reiterated Ecuador's interest to conclude an agreement with the EU. Subsequently, both parties established the terms of the negotiations that would follow (Pabón Venegas, 2018, p. 5).

Considering this context, once the CAN was fragmented and EU-Ecuador negotiations had resumed, what type of inter-regionalism was present between both parties? If one scrutinizes Hänggi's (2000) hybrid inter-regionalism, negotiations between Ecuador and the EU seem to have been sidelined. Ecuador did not have a dominant position nor was it considered a single power. Hence, Hänggi's approach is not salient. Rather, it would be more appropriate to view it from the perspective of a relationship with a small state. Thus far, this relationship of region vs single /small-state has been neglected in the literature.

iii. 2014-2016: Bi-Regional Relations.

The EU-Ecuador relationship during this period can be explained based on the third typology identified by Hänggi (2000) (Figure 1). That is, a bi-regional or trans-regional arrangement wherein one of the parties participates in its individual capacity (p. 7). In fact, as a result of intra-regional fragmentations within the CAN, which requires the recognition of asymmetries, pure inter-regionalism was overridden and an MTA was enabled. To this effect, from January to July 2014 four rounds of negotiations between Ecuador and the EU were carried out (Pabón Venegas, 2018). Three conditions were met in order for them to be concluded: a) the approval of President Correa on August 2014 on the Ecuadorian side; b) the conclusion of the legal review by both sides on December 2014; and c) the support of Colombia and Peru for Ecuador's accession to the MTA (Pabón Venegas, 2018, p. 105).

Furthermore, a Political Dialogue and Cooperation Agreement between the two regions signed in 2003 was ratified in 2016 and has been enforced up to the present day. Indeed, Ecuador participated in its individual and sovereign capacity by subscribing to the protocol of accession to the EU-Colombia-Peru Trade Agreement, on December 2016. This enabled

¹⁶ Ecuador, along with ten other Latin American countries took the EU to arbitration at the World Trade Organization (WTO) over the banana import regime. This case was finally solved in 2012 with the Geneva Agreement. See more: https://www.wto.org/english/news_e/news12_e/disp_08nov12_e.htm accessed June 16, 2021.

a bi-regional type of relationship but within a wider inter-regional agreement. The type of inter-regionalism is therefore blurred. In fact, this arrangement stands for one form of inter-regionalism, yet with a mixed or complementary nature.

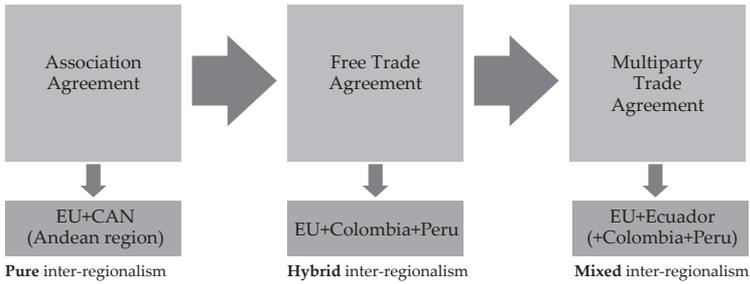


Figure 1. Stages in the EU-CAN Inter-Regional Trajectory

iv. 2017 to the Present: Back to Pure Inter-Regionalism?

By the 1st of January, 2017, Ecuador's Protocol of Accession to the MTA had entered into force on a preliminary basis. Yet the transition from mixed back to pure inter-regionalism has yet to be determined. To provide more elements to flesh out the type of inter-regionalism between the EU and the CAN, one should examine other events that have taken place thus far.

At the regional scale, the EU Commission treats all countries in a counterpart region as a unitary regional actor and seeks to pursue inter-regional negotiations with regions considered "sufficiently integrated" in order to facilitate trade and investment. Similarly, the text of the EU agreements, and the EU-CAN MTA in particular, includes a regional integration clause. Indeed, in Article 10 of the MTA, signatories to the agreement recognize the importance of each of their regional integration processes and engage to support them. This furthers the interest of the EU, which is to transform regional integration into a mechanism to foster the integration of the global economy. These motives help to explain the EU's flexibility to resume negotiations and to integrate Ecuador into the agreement with Colombia and Peru.

Surprisingly, two points seem to run contrary to the principles that underpin the EU's negotiation strategy. First, Article 10 of the MTA, paragraph 4 acknowledges the CAN's Decision 598, allowing potential breakups in order for negotiations to take place on a bilateral basis. Secondly, the "General Framework for the negotiation of a Trade Agreement between the European Union and Andean countries", clarifies the modality of the negotiation and already recognizes that the negotiation could not

take place in a bloc-to-bloc manner.¹⁷ This seems to be contradictory to a negotiation that aims to boost “sufficiently integrated” parties.

In summary, it makes sense to consider the trajectory of EU-Ecuador negotiations within the framework of inter-regionalism, given that the spirit of the agreement, despite its contradictions, is to enhance the regional integration processes, whose legal basis is Article 10 of the MTA as well as the Protocol of Accession of Ecuador. Furthermore, a Political Dialogue and Cooperation Agreement between the two regions has been enforced up to the present, which also embodies inter-regionalism, albeit with a mixed or complementary nature. With the aim of introducing the smallness debate and shedding light upon the potential capacities of influence that small states have in inter-regional negotiations, the following section presents a brief discussion on some critical conditions used to portray small states.

3. *Small States in the Literature*

This section seeks to shed light upon the main features used to understand smallness. It undertakes a brief overview of the different schools of thought that have studied the question of smallness. This encompasses four theoretical currents, namely: International Relations (IR), Constructivism, Development Studies, and International Political Economy (IPE). Within this exploration, IPE and constructivism are expected to provide broader considerations to the understanding of small states' ability to influence the trajectory of inter-regional negotiations.

A brief historical overview of the smallness debate along these theoretical currents shows that until the 1960s, the analysis of small states was not of particular interest to IR scholars. On the contrary, development studies (particularly during the 1980s and 1990s) focused their attention on studying these very particular actors. This was followed by an emerging research agenda that moved the question of smallness into the domain of critical International Political Economy (IPE) as well. The central tenet of this body of literature conveyed newer directions, mainly calling for a greater recognition of small states' agency and capacities (Bishop, 2012, p. 943). Each of the aforementioned schools of thought have been based on preconceptions and particular narratives, which have reduced small states as actors “building resilience” to their somehow “static vulnerabilities”, supported by purely quantifiable notions (Bishop, 2012, p. 943). Yet, there is another set of argumentations that explore the “ability of states to exploit their smaller size in different ways to achieve their... policy

¹⁷ This General Framework is framed in the following terms: “...the negotiation may end and the Agreement between two or more parties may be signed when an agreement has been reached on all the negotiation issues between the EU and at least one of the participating Andean countries...”. See Marco General para la Negociación de un Acuerdo Comercial Entre la Unión Europea y Países Andinos. January 22, 2009.

outcomes” (Baldacchino & Bertram, 2009, p. 22). This is a worthwhile point of departure to build a renewed discussion about smallness, one that brings forward arguments that insist on the use of smallness to advance negotiations in favor of the smaller counterparts.

The Smallness Debate in International Relations (IR)

During the early years of IR, conventional wisdom agreed upon a state-centric nature which prevailed in their scholarship. Consequently, a large portion of the debate circulated through the lenses of the realist tradition and was particularly focused on security issues and understanding great powers' behavior. IR scholars assert that their discipline started to draw attention to the smallness debate¹⁸ with the formation of smaller, new independent states and the emergence of a non-alignment movement in 1961, as this paved the way for an increased diplomatic role within the existing world order. Other more contemporary approaches introduced further perspectives to assess the character of states. For example, the idea that the world system conditions them to being either great or small (Morgenthau, 1972) or states being recognized through different patterns of behavior (Toje, 2010).

According to Neumann and Gstöhl (in Ingebritsen et al., 2006), IR builds upon some assumptions that are worth examining. First, states with powerful capabilities will inexorably make use of them. These states do not feel compelled to abide by international norms and thus they would likely free-ride. Secondly, from an institutionalist perspective, great powers are the ones granted with the legitimacy to shape and mold international norms and institutions. Finally, norms, institutions, and policies are to be considered not only the result of great-power bargains, but also of the actors' power relations (pp. 3-4). These assumptions are instructive as to the different positions small states within trade negotiations. Indeed, small states endorse international law and organizations, as they value them as bargaining platforms. Yet their particular national interests play a significant role in decision-making, as it serves as leverage to increase their bargaining power.

Along the same lines, Vital (2006) addressed states' inequalities as being derived from small-states limited resources by suggesting that all the material features inherently assigned to states in IR (size, material resources, economic development, geographic location, military capacities, among others) “determined the extent to which small states can perform

¹⁸ Some of the outstanding proponents of the smallness perspective in IR are among others, Vital, 2006; Rothstein, 1968; Keohane, 1969; East, 1973. However, David Mitrany (1933) already acknowledged the notion of small power in political studies, by sustaining a binary approach of world politics, that is, the existence of great and small powers.

resistance rather than vulnerability and be active rather than passive members of the international community” (pp. 77-78). Yet the conventional narrative in IR is that small states do not possess these features to the same degree or extent and will therefore remain actors with reduced influence in world affairs (Lewis as cited in Cooper and Shaw, 2009). A renewed view of small states should consider both resources and behavior when addressing the political implications of the material inequality of states.

Indeed, the collection *Small States in IR* (Ingebritsen et al., 2006) calls for the reassessment of some of the features of smallness through the lenses of major IR theory approaches (Bishop, 2012, p. 945). In that regard, small states could exert influence stemming from particular policy domains and use them as bargaining power. In fact, Keohane and Nye (1977), build upon this idea to advance great issue-specific power, which suggests that small states, when analyzed at the unit level and not the aggregate-systemic level, can exert influence in particular issue areas (Neumann and Gstöhl in Ingebritsen et al., 2006, p. 8). The case of natural resources has illustrated this matter, wherein some resources have been used by small states to further their image and power internationally.¹⁹ In fact, the second part of this article discusses the strong socio-economic representations Ecuador possesses, which are considered sources of great issue-specific power.

Small States in Development Studies

The second body of literature that discussed smallness is development studies. From a historical- analytical perspective, the independence of many small states that became apparent during the 1970s, the end of the bipolar world, and the beginnings of a globalized era all impacted the international system and its configuration. These phenomena subsequently created a number of new, independent, “smaller” and more vulnerable states, each one with their own and different problems and concerns (Sutton, 2011) but with one shared goal - catching up with the (post-war) liberal international economic model. This awoke considerable interest in studying economic development and small states. Thus, during the 1980s and 1990s, a range of scholars plunged into the endeavor of conceptualizing smallness. Meanwhile, international organizations provided aid to small states for them to integrate into the global economy, contributing to the spread of the liberal world order, which ultimately resulted in a

¹⁹ On this matter there is a sense of environmental exploitation which can be a contentious issue. In any case, there is a vivid debate on sustainable or even sovereign forms for the use of natural resources, which have been the main sources of economic development for small states. It is of particular interest for this investigation to explore how some socio-economic representations have been formed thanks to the strength of these natural resource sectors, which main leverage seems to be advancing their interests internationally, while becoming part of the country's image.

widespread narrative about the concept of the small state (Sutton, 2011). Throughout its evolution, the development studies perspective has been widely based on two critical categories to depict smallness: vulnerabilities and resilience. These key terms are discussed below.

i. Vulnerability.

The key international agencies have exhibited a characterization of small states based on conventional agreements, such as population benchmarks (Sutton, 2011). However, some counter-narratives assert that small states are characterized less by their geographic or demographic size, wealth, or relative power but by a superseding condition that distinguishes them: vulnerability.²⁰ According to Bishop (2012), insofar as development studies focuses on economic features, vulnerability was introduced as a category that distinguishes small states (p. 946) and their response to external incentives.²¹

Further approaches of vulnerability considered it as “a matter of exposure to international political and economic risk and uncertainty” (Campbell and Hall, 2009, p. 548), which clearly exhibits both economic and political factors. In fact, one of the seminal works in this regard delivers a concept of economic vulnerability,²² and accordingly, the notion of resilience.²³ Briguglio et al. (2010) come to the conclusion that vulnerability is related to the condition of smallness, yet it differs from other economic notions which are part of those conventional narratives, like growth or development. Thereby, vulnerability does not mean weakness. As Briguglio and Galea (2003) demonstrates, a number of small states, even if vulnerable, have reached high incomes per capita²⁴ (p. 2). This means that small states can be either rich or poor, but they share a common socio-economic vulnerability to different extents.

20 Even if it is not the purpose of this study to unravel the underlying questions behind international agencies' intervention in small-states, the condition of vulnerability could have been put in place so as to justify their actions with their categorization being instrumental for them. Indeed, following, Baldacchino and Bertram (2019), vulnerability is seen as “instrumentally useful in the rhetoric of political lobbying and aid justification” (p. 146).

21 In fact, the notion of vulnerability emerged in 1985 out of a study published by the Commonwealth Secretariat, followed by a political reaction against the invasion of one small Caribbean state, Grenada. Since then, each annual volume the Secretariat produces raises the economic problems of small states and the way they have been conceptually attached to the vulnerability index (Briguglio, 2007).

22 Refers to “the proneness to harm or damage originated from external forces” (Briguglio and Galea, 2003:3)

23 Refers to “the ability of an economy to withstand or bounce back from external shocks” (Briguglio et al, 2010, p. 1)

24 This phenomenon has been named as “Singapore Paradox”, referring to the “seeming contradiction that a country can be highly vulnerable and yet attain high levels of GDP per capita” (Briguglio et al., 2010, p. 27). This paradigm assumes that vulnerability is imposed by an exogenous factor, whereas resilience is an endogenous response. Yet, endogenous and exogenous factors have been found in both (Baldacchino and Bertram, 2009, p. 146).

In summary, following Lee and Smith (2010), smallness is not intrinsically a barrier to development and economic success (p. 1093). However, small states are conditioned to being vulnerable to substantial changes in the nature of their development in ways that larger states may not be. In fact, Alesina and Spolaore (2005) argue that smallness can produce benefits and heterogeneity can convey costs over public goods and policies. This means smaller states can have more homogeneous preferences, resulting in more democratic responses; whereas in larger states with more heterogeneous preferences, the formulation and implementation of policies could be costlier.

ii. Resilience.

The traditional debate on smallness addresses resilience as a way to cope with vulnerability. According to Briguglio (2007), resilience is “the ability to recover from or adjust to change” (p. 1059; Briguglio et al., 2010, pp. 28-29). This takes two different forms: nurtured and inherent resilience. The latter occurs when a country adopts policies that exacerbate its inherent vulnerability and weaken the resilience they may generate. A wider approach claims that discourses to inherent vulnerability generate outcomes that were attributed to state size, resulting in a diversion of unequal power configurations (Lee & Smith, 2010). Conversely, nurtured resilience is developed and achieved when a country builds its resilience²⁵ through a process of deliberate policy (Briguglio, 2007, p. 105). Its proponent calls for a range of measures, such as social cohesion, good governance, or adequate macro-economic management to assist small states to a shocks and attain development (Briguglio et al., 2010, p. 30). That said, international agencies' assistance is considered fundamental in development studies. However, both the utility of resilience and the role of those organizations can be questioned.²⁶

In brief, vulnerability and resilience are static prerogatives, without the kind of contextualization required to give smallness real explanatory and analytical power (Bishop, 2012, p. 949). In this sense, although development studies provide useful tools to evaluate small states, IPE

²⁵ Briguglio et al (2010) built a resilience index with the purpose to access the degree to which economically vulnerable countries, as a group or individually, are coping with economic vulnerability, based in the following variables: good governance, macroeconomic stability, market reform and social development (measured by the education and health indices of the HDI years 2000-2002 UNDP, 2002, 2003, 2004) (Briguglio, 2007, p. 107)

²⁶ This article questions the utility of resilience, in a more critical way than what Bishop suggests: “It is far from clear then, that any small state has truly gone beyond resilience and outgrown its inherent vulnerability” (Bishop, 2012, p. 952). Is it that international agencies insist on disseminating the use of resilience as an instrument of their political rhetoric that is functional to their existence? For instance, agencies like the World Bank are explicit about their role as transmitters of norms and principles from advanced market economies to less-developed economies. They are assigned the task of incorporating less-developed economies into the world economy (Barnett & Finnemore, 1999, p. 714).

raises a complementary debate that is attentive to questions of agency and flexibility. Thus, the next section will contribute to the discussion on smallness through the lenses of IPE, which demonstrates there are new avenues of research with regard to an increased recognition of small state's agency.

International Political Economy and Small States

IPE has devoted part of its attention and criticism to the concepts of vulnerability and resilience, as they were conceived by development studies, in helping to turn scholars' attention toward a greater recognition of small state agency. Accordingly, IPE takes the approaches of both IR and development studies and offers a revised perspective of smallness which are in turn fundamental perspectives of this article.

Encouraged by the limitations and opportunities that small states have historically had within asymmetrical power relations, IPE research has ambitiously studied their engagement in international regimes and institutions, and the ways in which they have shaped political and economic outcomes (Bishop, 2012, p. 950). In doing so, IPE has succeeded in reorienting the debate towards the agency and capacity of small-states.

Akin to development studies (particularly regarding the notion of resilience), IPE advocates for a greater understanding of small state engagement, asserting that they can become influential actors in their own right by building resilience themselves (Bishop, 2012, p. 950). Cooper and Shaw (2009) adjust the understanding of this notion by demonstrating some salient diplomatic strategies small states have used to carve out noteworthy roles in IPE and world politics. Through a number of case studies, these authors have demonstrated that small states' resilience goes beyond traditional conceptions in IR and development studies. Thus, they incorporate the notion of "creative agency" (Cooper and Shaw, 2009, p. 2-4) as a way to reconfigure the narratives about the image of small states (Bishop, 2012, p. 951). Their central tenet is that vulnerability is an imposed and predictable condition that highly constrains small states' margins to maneuver. Yet resilience is a flexible attribute that enables structural factors to be revisited and reshaped (Cooper and Shaw, 2009, p. 4).

Based on Cooper and Shaw's creative agency (2009), Baldacchino and Bertram (2009) call for an enhanced and broader conceptual approach of the innate qualities of small states, small societies, and their firms which they have named "strategic flexibility". This notion contrasts with the vulnerability approach that dominates in development studies, which they consider is the result of the early post-colonial debates about small state 'viability' (p. 147). Contrary to this initial, more limited conception,

strategic flexibility departs from an inductive “bottom-up” examination of actual behavior patterns among small states and their societies (p. 146). This means encompassing a micro as well as a macro-level of social and economic interaction. Indeed, strategic flexibility considers the economic structure of small states as a “proactive behavioral adaptation and not a passive response to exogenous world market prices” (Bertram and Poirine, 2007).

Along the same lines, small societies do get involved in activities that give them increased levels of economic, political, and social development in return, which is also derived from the fact that these societies organized themselves into micro-communities (neighborhoods, provinces, etc.) for mutual aid. Thus, vulnerability can also be translated as a source of strength. For example, market openness can oblige small states to develop conditions to be internationally competitive. Yet this discussion does not detract from the central fact that small states remain intrinsically vulnerable (even if rich, with engaged societies, or solid jurisdictions), and this might be obscuring the real utility of going through resilience as a way to surmount their vulnerability condition (Bishop, 2012).

Many small state development strategies are nurtured through their fundamental vulnerabilities, and this can result in pervasive economic, political, and environmental impact. Thereby, the real challenge is taking small states out of the intrinsic feature of vulnerability which conditions them as small. In this regard, IPE can deploy a set of tools to understand the political economy of small states, which comes from the recognition of a particular structure of their vulnerabilities, together with their potential agency and capacity. That said, the following section lays out a brief overview of the constructivist approach, which seeks to provide new perspectives for analysis.

Constructivism and Small States

The main interest in exploring constructivism is understanding the impact of socially-based interactions on the question of smallness and the extent to which this line of research can provide insights to the potential influence small states can exercise in inter-regional relations. Yet the attempt to apply the constructivist approach to the study of small states remains in a nascent stage (Lee and Smith, 2010).

To begin with, Smith et al (2005) acknowledge that the traditional fields of IPE and IR have moved epistemologically away from states and realist notions (interest, power) towards a socio-constructivist perspective (ideas, identities). Along the same lines, Lee and Smith (2010) appraise the discursive power resulting from this socio-constructivist stand and away from the prevailing material interpretations of small states (p. 1094).

That is, an interpretation based on narratives and ways they perceive and construct themselves rather than based on power or military capabilities. These scholars are interested in the smallness discourse which delivers a language of either opportunities or hindrances, and this defines the place of small states in IPE (Lee and Smith, 2010, p. 1095). In other words, political actors consistently use a language of vulnerability,²⁷ which can be perceived as a prescription of small states to be categorized as such (p. 1095).

In a different vein, Campbell and Hall's (2009) contribution to the smallness debate is that culturally homogeneous small states are more likely to develop institutional capacities to cope with vulnerabilities that originate from external economic factors (p. 547). In fact, they argue that this homogeneity can trigger the formation of national identity while favoring the possibilities of cooperation, flexible maneuvering, and collaboration in state action, resulting in advantageous socio-economic performance (p. 548).

In terms of behavior, Katzenstein maintains that small and large states can be distinguished in the world polity, as large states can bend the rules to their own interest, whereas small states have less bargaining power. Yet, from these vulnerabilities stems the political ability to respond to the challenges of the international political economy, which could likely involve institution building²⁸ as well as the ability of its leaders to facilitate an ideology of social partnership.²⁹ In fact, Campbell and Hall (2009) explore the extent to which social classes, culture, and identity played a role in developing this type of ideology (p. 550). This article posits that these features could have played a significant role in determining Ecuador's position in inter-regional negotiations with the EU.

Each of the theoretical schools reviewed focuses on different concerns. Even if undertaking an interdisciplinary dialogue is useful to further the insights and understanding small states' issues, it draws out the most compelling features of each discipline that are consistent with the case of Ecuador. In brief, development studies provide useful notions to appraise smallness, while IPE raises a complementary debate attentive to questions of agency and flexibility, reaching a higher rung on the study of smallness.

27 International institutions or regional actors (including the EU) acknowledge the difficulties of asymmetries only in their discourse. Therefore, the subsequent demands stemming from these asymmetries i.e. the application of SDT or a differentiated regime for each small participating member are considered as an old fashioned approach, according to the former European Trade Commissioner. Global Leadership Masterclass attendance with the former European Commissioner for Trade, Cecilia Malström, organized by the Open Diplomacy Institute on May 19th 2021 See: <https://www.youtube.com/watch?v=uEjJEZODJq4>

28 Indeed, the focal point for Katzenstein is the design of institutions to coordinate policies that oppose the international forces that put them in a vulnerable condition. This led him to emphasize on the advantages of small states' corporatism (Katzenstein, 1985, pp. 32-39).

29 Ideology of social partnership entails a willingness to work together for the common good (Campbell and Hall, 2009, p. 548).

Finally, constructivism provides a different interpretation of smallness, one in which socially-based interactions and subjective categories are part of an enhanced agency and capacity (namely, diplomatic recognition).

4. Influential Factors in the EU- CAN Inter-regional Trajectory

This section elucidates the influential factors that shaped the institutionalized inter-regional trajectory between the CAN and the EU. It therefore explores the extent to which Ecuador was able to exert bargaining power in this negotiation. One could infer bargaining power is not a useful category to explain small states' influence, as they are conditioned to vulnerability. Instead, it attempts to provide a counterintuitive narrative focusing on some of the dimensions that have been outlined, such as strategic flexibility and creative agency, which helps to explain small states' influencing capacities. To do so, bargaining power is discussed, followed by an overview of the different dimensions that shed light upon Ecuador's renewed role in the inter-regional dynamic between the CAN and the EU.

Ecuador's Bargaining Power in a Context of Fragmented Inter-Regionalism: From Pure to Mixed Inter-Regionalism

The literature available on bargaining power (Drahos, 2003; Heron, 2011; Odell, 2013; Da Conceição-Heldt and Meunier, 2014) discusses the resources an actor has to advance its fixed preferences.³⁰ Those resources can be either material (institutional and human capacities) or subjective (ideas, experience, common identity) (Checkel, 2004). None of the schools of thought studying smallness have considered bargaining power to feature small states in a broader debate. Yet there is a body of literature covering small states' international insertion strategies (Bizzozero, 1999, 2000) that acknowledges their potential to act as influential actors.

In fact, an asymmetrical inter-regional negotiation functions as a bargaining forum, wherein actors draw down upon a disparity of resources used to pursue one's interest in terms of technical, bureaucratic, and negotiating capacities, organizational resources, or access to information (Drahos, 2003; Heron, 2011). In that sense, within inter-regional negotiations, small states might be disadvantaged against big proponents. Nonetheless, this article disentangles small states' reduced capacities and suggests that they can influence these relations by using an enhanced bargaining leverage and by meeting their fixed preferences.

³⁰ In fact, in a negotiation fixed preferences are sometimes at the expense of their counterpart, yet with the aim of seeking a reasoned consensus (Odell, 2013, p. 11).

In light of these claims, Ecuador's fixed preferences were of two types: material and subjective. The material preferences are comprised of preserving market access for the most important sectors,³¹ avoiding trade deviation with main competitors for the same sectors, having a stable regulatory framework to maintain business, and expanding the trade negotiation agenda. Whereas the subjective preferences relates to having an instrument for development and opening access to manufactured goods.³² In the following sections, empirical evidence is introduced which suggests Ecuador's degree of bargaining power in the inter-regional trajectory between the CAN and the EU.

First and foremost, when Ecuador abandoned region-to-region negotiations between the EU and the CAN in 2009, it demonstrated its capacity to exert bargaining power in line with its national interest, no matter the opposition. Along the same lines, an interlocutor in the field argued that Ecuador did have bargaining power in spite of being a small state, suggesting that it was due to the capacities of the Ecuadorian diplomatic corps which negotiated with the EU. Moreover, this interviewee contended that Ecuador is not a negligible state in the geopolitical sphere. In other words, if something is considered unfair, Ecuador can get up from the table and leave and let the Europeans know that their policy of quotas does not meet Ecuadorian needs.³³

In line with this thinking, Ecuador was able to introduce changes to an agreement that was already in force between the EU, Colombia, and Peru, which suggests that it had sufficient bargaining power to meet its preferences. In particular, an interlocutor cited the time extensions that were not granted to the other Andean partners, as follows:

As a small state your bargaining power is to manage to get preferential treatment. Which Ecuador did obtain, for example, through longer deadlines to liberalize your merchandise... But deep down in the negotiation the important thing was to show them [Europeans] the reality of our economic sector, so that they can understand that accepting certain issues was not possible given the conditions of our industries. In the agricultural case, more specifically, protection conditions were achieved for the dairy sector which Peru and Colombia did not get, even if they have similar production structures.³⁴

31 Coming from the export-oriented agricultural and fisheries sectors. See footnote 40.

32 The definition of these fixed preferences resulted from the fieldwork, undertaken in 2019.

33 Interview conducted with a Trade Association representative April 25 2019, Guayaquil.

34 Interview conducted with a Negotiator and Scholar, April 18 2019, Quito.

Finally, Ecuador succeeded to include some references which were a seminal part of its economic development strategy. For instance, Ecuador's Protocol of Accession to the MTA contemplates a footnote for possible injury caused to infant industry.³⁵ This reference can be understood as a way to afford the chances for the country to preserve some policy space and thus, was demonstrative of its bargaining power. In summary, the remarks discussed above infer that Ecuador was able to use bargaining power within a mixed type of inter-regionalism.

Ecuador's Renewed Role in Inter-Regional Trajectories: Its Human Capital

According to Cooper and Shaw (2009), there are some salient diplomatic strategies small states use to carve out worthy roles within IPE. Along those lines, the application of renewed negotiation practices assists small states in becoming significant actors in some policy areas (e.g. through demonstrations of strength and influence by some economic sectors), either through diplomatic tactics or by contributing to a sole understanding of national interest (Campbell & Hall, 2009, p. 552). These arguments imply that small states can be creative agents in different institutional forms.

Ecuador's inter-regional trajectory with the EU was a particular venue where it demonstrated considerable diplomatic capacities to cope with some areas of negotiation and granted the country a level of international recognition. Some pieces of empirical evidence support this argument:

Ecuador's bargaining power were the constitutional constraints on three main issues (Government Procurement, IPR, and services). It was not the fact of being a small state that granted us with bargaining power, but the fact of being aware of how to take advantage of a political situation in order to generate movement on your counterpart.³⁶

According to Schelling's (1960) paradox of weakness, negotiators can use the card of weak internal cohesiveness to intensify their bargaining power by obtaining concessions externally (Da Conceição-Heldt and Meunier, 2014, p. 971). In other words, the quote above suggests that

³⁵ The General Agreement for Tariffs and Trade (GATT 1947), Article XVIII foresees a wide range of governmental action, or safeguard measures to protect infant industries. The infant industry argument is an economic rationale for trade protectionism. The core of the argument is that nascent industries often do not have the economies of scale that their older competitors from other countries may have, and thus need to be protected until they can attain similar economies of scale. The traditional infant industry argument justified a tariff, or a subsidy based on the output of firms which had an equivalent effect on output, on the basis of some dynamic externality. Yet, this has been considered an old fashioned strategy deeming to ineffective industrial protection. See Bora et al. (1999). However, during inter-regional negotiations with the EU, Ecuador claimed for an Infant Industry Safeguard to be considered in the agreement text. Its inclusion was considered a success.

³⁶ Interview conducted with a Medium-level Trade Officer, April 17 2019, Quito.

Ecuador had the capacity to use internal constraints as leverage to persuade and obtain advantageous concessions from its trade partner. The use of these negotiations skills is a demonstration of creative agency.

The following quote echoes this assertion and highlights the strengths exploited by Ecuador:

We understood that we had to tune in a bit to the idea that FTAs were not salable [within the Ecuadorian government], we had to use something more salable. That is why the MTA³⁷ came out and we always highlighted this...The government had a defensive stance, whereas we [private sector] held a positive stance, which ended up being a success. There were differences [between government and private associations], yet we changed the discourse within civil society and hence they were not opposed to the agreement.³⁸

Similarly, this was a display of creative agency on three fronts: by the Ecuadorian government, by civil society who could have potentially opposed the agreement, and by the EU who conceded in changing its negotiation strategy, which was due to a previous fragmentation of inter-regionalism.³⁹

At the same time, small states can exert influence stemming from particular policy domains and use them as bargaining power. According to Heron (2011), elites⁴⁰ can craft bargaining positions to suit what they consider meets their best development needs (p. 331). In fact, these groups tend to exert influence in particular issue areas (Neumann and Gstöhl in Ingebritsen et al., 2006), which is what scholars Keohane and Nye (1977) have termed great issue-specific power.

In line with Thorhallsson's (2006) perspective, size and behavior are important factors to consider when assessing international negotiations (p. 218). In fact, one can argue that there are similar behaviors within Ecuadorian export-oriented groups who feature great issue-specific power and who have a solid interest in maintaining trade openness, as Shadlen (2008, p. 14 in Heron, 2011) maintains. Indeed, these groups tend to deploy

37 In fact, once the negotiations between Ecuador and the EU resumed in 2012, the term free trade agreement (FTA) was replaced by "Multiparty Agreement". One possible assumption to explain this was the avoidance of the use of 'FTA' which had negative connotation among the Ecuadorian detractors.

38 Interview conducted with an Exporters Representative, April 18 2019, Quito.

39 See discussion above on the factors that prevented the Andean countries to act as a regional bloc in their relationship with third parties and which caused Ecuador and Bolivia to abandon inter-regional negotiations. Ultimately it was Ecuador, who decided to resume negotiations with the EU fragmenting the pure inter-regional relation.

40 For the purposes of this article, socio-economic representations could be also named as elites. These groups are depicted as the traditional agro-export oriented sectors, including fisheries and beef industries. They can also be characterized as groups that have a relevant role in shaping national fixed preferences and crafting identity ties, according to Campbell & Hall's prerogatives (2009).

more resources and are usually more mobilized for negotiations. The collected data supports an interconnection between market openness – a smallness condition⁴¹ and the emergence of these groups. The upcoming argument resonates with the supposition that Ecuador has strong socio-economic sectors⁴² that can be considered sources of great issue-specific power:

The [tuna] industry is the second largest in the world ... [That is why], I don't like it when people say we are a small state!...We should have an agreement because the composition of our trade balance depends on that... that is why we are so aggressive in [negotiations].⁴³

Thus, socio-economic factors are sources of great-issue specific power to the extent that they can influence a state's fixed preferences during negotiations. This shift in perception allowed for changes in Ecuador's preferences along its inter-regional trajectory. In the first instance, Ecuador pretended to have trade agreements as an instrument for economic development thereby protecting its sensitive economic sectors, which clashed with a free trade agreement's main objective. In a the second instance, the socio-economic manifestation of a great issue-specific power superseded any attempt to have trade as an instrument of development on the country's own terms. That said, subscription to the MTA necessitated sacrificing long-term policy space for short-term market access, in line with IPE's dictates.

Moreover, and to be anchored in the tenets of constructivism, Mendez and Turzi (2020) contend that agency produces social or institutional facts. These scholars borrow elements of constructivism to discuss their interactions, namely that identity is formed by a range of ideas that conditions agency (p. 28). In the same vein, identity matters as it facilitates collective action against opposition (Wendt, 1999), therefore national identity is a tool for creating a discourse with the strength of mobilizing and demobilizing socio-political groups (Mendez & Turzi, 2020, p. 32). As it happens, socio-economic representations in Ecuador have acted as creative agents as they shaped the collective ideas concerning the MTA with the

41 See Alesina and Spolaore (2005).

42 Socio-economic representations are part of the traditional agro-export oriented sectors, including fisheries the agricultural sectors. They can be characterized as groups that have a relevant role in shaping national fixed preferences and crafting identity ties (Campbell & Hall, 2009). In other words, they devise negotiation strategies and political mobilization to implement open trade policies by deploying their own material and human resources as well as developing inter-cultural ties and shared values with external actors. In short, they represent an idea of market competitiveness and a sense of a common national identity (Checkel, 2004; Wendt, 1999). Although, within inter-regional relations they tend to benefit sectoral interest at the expense of the aggregate or national demand.

43 Interview conducted with an Industry Association representative, April 26 2019, Guayaquil.

EU. That is, in the midst of a political environment that was opposed to free-trade, these representations played a significant role in promoting the agreement and turning negotiations into an institutional fact.

Ultimately, Baldacchino and Bertram's (2009) approach to strategic flexibility argues that small societies get involved in activities that could in return provide increased levels of economic, political, and social development. In other words, vulnerability can be transformed into a source of strength (p. 142). Hence, market openness obliges states to develop conditions to be internationally competitive. Evidence coming from fieldwork supports this argument. Some interlocutors upheld that the MTA nurtures high-quality standards in the market. In fact, "the [tuna] market promotes the sustainability of its resource while maintaining high levels of standardization. Developing new alternatives for consumption derived from fish is an effort for sustainability, that is, making better use of this resource..." (p. 142). This stems from the fact that the European market demands those high-quality standards. This therefore highlights some of the positive outcomes that Ecuador derived from market openness, a condition of smallness.

Ecuador's Socio-Economic Representations: The Elephant in the Room

Contrary to what has been discussed thus far, the following offers a singular reading of Ecuador's bargaining power, which offers a different perspective on a small state's capacities in inter-regional trajectories. In fact, the standpoints of the following interlocutors⁴⁴ are evocative of Ecuador's negotiation strategies and how a presupposed fixed preference was constructed, in accordance with the needs and interests of the strongest socio-economic representations. Moreover, they sustain that Ecuador should have remained in a region-to-region negotiation. The following quotes respectively depict this:

Ecuador had very little bargaining power, maybe 3 or 4 highly prioritized topics [that they could negotiate], which were basically exceptions....We had to ask Colombia and Peru for authorization [to make modifications]. But that is not the fault of the agreement itself, it was rather Ecuador's fault for not negotiating when it had to negotiate. Perhaps if Ecuador had negotiated at the right time, together with the others, it would have had much more bargaining power to define an agenda.⁴⁵

⁴⁴ Typically, these interlocutors were sidelined from the negotiations, as they represented sectors that were not central to discussions, and who had more intricate interests.

⁴⁵ Interview conducted with a Decision-maker and Industry Association representative, April 30 2019, Quito.

Ecuador had all the possible bargaining power and gave it up [when it abandoned negotiations]. There were only sparks left which allowed the government to send a signal that we had a lot of bargaining power and that we sat down with the Europeans and twisted them, but it was not like that. I think that [by abandoning and resuming negotiations] we managed to scratch certain little things ... Yet [by negotiating] in the same table as the CAN we could have achieved more, due to asymmetries...⁴⁶

The differing interpretations of Ecuador's influential factors that are presented in this last section are telling. On one hand, there is a faction that defends pure inter-regionalism as a platform to increase bargaining power. This group conceives small states to be actors with reduced capacities to turn their vulnerabilities into sources of clout and views their bargaining power as being conditioned by the bloc's asymmetries. On the other hand, there is another group that views Ecuador as a creative agent with strategic flexibility within any inter-regional path. These two readings can lead one to conclude that there is room to acknowledge actions carried out by small states to subscribe to agreements and institutionalize relations while being reconfigured actors in inter-regional trajectories. Yet this understanding is conditioned by the fact that socio-economic representations are players with the ability to shape small states' preferences while meeting their own interests.

CONCLUSIONS

The debate this article undertakes dismisses the conventional wisdom that perceives small states as passive actors. Rather, it assumes they have capacities to undertake negotiations with enhanced bargaining power, as they can shape their fixed preferences and turn negotiations into opportunities for real gains.

In the case of Ecuador, the country was able to exert bargaining power within the institutionalized inter-regional framework firstly due to its socio-economic representations that were key players in the country's political economy and that allowed for the exercise of great-issue specific power. These representations acted as creative agents, deploying diplomatic and negotiation strategies. Secondly, Ecuador's inherent vulnerability did not limit its bargaining power. On the contrary, it shaped the political configurations, making them conducive to subscribing to the agreement with the EU.

⁴⁶ Interview conducted with an Industry Association representative, May 13 2019, Quito.

However, some qualification should be considered. From the empirical findings, one can elucidate the level of difficulty in measuring bargaining power as an influential factor, given that it is a matter of perception from the different understandings that arise from each interlocutor's entrenched biases. These perceptions could be summarized as follows: firstly, high bargaining power stems from internal constraints, political viability, diplomatic skills, and great-issue specific power; secondly, pure inter-regionalism is perceived as a platform for leverage. In fact, small states' bargaining power loses its strength when states change their strategies, in the case analyzed in this article, when Ecuador abandoned region-to-region negotiations.

The analysis of Ecuador's inter-regional trajectory with the EU gives rise to the discussion on smallness and inter-regionalism as two inter-connected areas of study, opening windows of opportunity for future research. The empirical evidence collected highlights a potential over-representation of the narratives that defend smallness as a source of influence and therefore suggests that small states are reconfigured actors. This implies that small states can be creative agents and use their bargaining power, albeit in different institutional forms.

Concurrently, this article opens the debate on the benefits that small states can derive from negotiating in a setting of fragmented inter-regionalism and the tools they may use to capitalize upon those negotiations in order to institutionalize relations. Ultimately and recalling Keohane's quote, within inter-regional trajectories, small states must be studied as carefully as the giant.

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