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Editorial

Strategic Regionalism and Economic Autonomy in Latin America: Challenges in a Fragmented International Order

Regionalismo estratégico y autonomía económica en América Latina: desafíos en un orden internacional fragmentado

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In the last years, the global economy has become more unstable and fragmented. Rivalry among major powers, changes in supply chains, and the return of active industrial policies have called into question the idea that global free trade, by itself, guarantees efficiency and well-being. The COVID-19 pandemic, the war in Ukraine, and technological tensions between the United States and China add to concerns about energy and food security, accelerating a profound reconfiguration of trade and production (Hrynkiv, 2022).

In this context, several key sectors, such as energy, semiconductors, and so-called critical minerals, have come to be seen not only as economic drivers but also as part of national security. Economic interdependence is no longer perceived solely as a source of efficiency, but also as a potential source of vulnerability and political pressure.

The main advanced economies have reacted strongly. In the European Union, the idea of "strategic autonomy" has gained weight, seeking to reduce sensitive dependencies without abandoning multilateralism (European Commission, 2021). In the United States, new legislation has been promoted to strengthen domestic productive capacities in strategic technological sectors (The White House, 2026). At the same time, the ecological and digital transition has become a central axis of economic policy, introducing new standards and tools such as the Carbon Border Adjustment Mechanism (CBAM, for its acronym in English), which directly connects international trade and environmental sustainability (European Commission, 2023).

Faced with this scenario, Latin America faces old and new challenges. The region continues to depend to a large extent on the export of raw materials and has little productive diversification, which limits its capacity to capture value in technology- and knowledge-intensive activities. This specialization has allowed it to take advantage of cycles of good prices, but it also exposes it to high external volatility and limited strategic autonomy. Hence, a key question arises: can regionalism become a real tool to expand the region's room for maneuver, or will it continue to be an incomplete and fragmented project?

Latin American regionalism has gone through different stages. In the 1990s, the so-called "open regionalism" predominated, focused on opening markets and competing in global trade. In the first decade of the 21st century, schemes with greater political and social content emerged, in accordance with the ideological changes of several governments. However, none of these phases managed to consolidate deep productive integration or stable coordination of industrial, technological, or innovation policies.

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The current situation adds a new challenge: to build a "strategic regionalism." This means that integration processes not only facilitate trade, but also strengthen the productive, technological, and regulatory capacities of the region in a competitive and volatile international environment (Kacowicz, 2018). It is not a matter of betting on autarky or closing the economy, but of reducing critical vulnerabilities and increasing the capacity for collective negotiation. Strategic autonomy means, in this sense, being able to define one's own priorities and manage interdependencies selectively (European Commission, 2021).

The path toward this strategic regionalism, however, is not simple. Political fragmentation within the region, the overlapping of organizations, and differences in development models make coordination difficult (Malamud & Gardini, 2012). Added to this are the great productive differences between countries and the gaps in technological capabilities and in physical and digital infrastructure, which complicate the creation of regional value chains with greater technological content. International experience suggests that productive transformation requires public-private coordination, sustained investment in innovation, and stable regulatory frameworks; without these elements, integration runs the risk of remaining at the level of discourse (Cornick, 2013).

External factors also weigh increasingly heavily. China has consolidated itself as the main trading partner of several Latin American countries, which has diversified ties and opened new possibilities for financing and investment. But, at the same time, it has reinforced the pattern of exchange based on raw materials. The global energy transition has increased the demand for critical minerals abundant in the region and has opened a strategic opportunity; taking advantage of it will depend on the capacity to articulate industrial policies, environmental regulations, and local productive linkages that add more value.

The environmental dimension has become a central axis of this new stage. The standards linked to the green transition redefine the conditions of access to markets and can become indirect barriers if they are not accompanied by productive adaptation policies. The European CBAM is an example of how climate policy is integrated into trade policy (European Commission, 2023). For Latin America, this implies strengthening measurement, certification, and emissions reduction capacities, as well as promoting innovation in renewable energy and the circular economy. If managed well, what today seems like a requirement can become a lever for productive modernization within a sustainable development strategy.

From the business perspective, the growing regulatory interdependence forces changes to be anticipated. The companies of the region operate in an environment in which environmental, digital, and labor standards increasingly influence investment decisions and the organization of value chains. Better regional coordination could generate economies of scale, harmonize standards, and offer greater predictability. History shows that successful late industrialization processes combined intelligent external openness with deliberate policies to strengthen internal capabilities (Amsden, 2001). Therefore, the articulation between the public sector and the private sector is key to identifying priority sectors and directing resources toward more sophisticated activities.

Relative economic autonomy does not mean isolation or protectionism. Rather, it implies diversifying alliances intelligently, reducing critical dependencies, and building capacity to adapt to external shocks. In an international order marked by systemic rivalry and regulatory volatility, regional integration can serve as a platform to negotiate as a bloc and share the costs of the technological and environmental transition. However, this requires overcoming the short-term logic and strengthening regional institutions capable of sustaining commitments over time.

In sum, the fragmentation of the international order redefines the strategic horizon of Latin America. Strategic regionalism appears as an option to expand its room for maneuver in a context of geoeconomic competition. However, its realization will depend on political will, effective coordination, and the construction of productive and technological capabilities. The region faces a dilemma: maintaining a mainly extractive insertion or taking advantage of the current situation to promote an agenda of productive transformation articulated regionally. The response to this dilemma will determine not only its place in the global economy, but also the foundations of its sustainable development in the coming decades.

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