wirtschaftspolitischen Orientierung überhaupt – an. Pereiras diesbezügliche Intervention zielt dabei auf die Wiedererlangung währungspolitischer Souveränität des (auch supranationalen) Staates, eine eindeutige Umverteilungspolitik von oben nach unten sowie auf eine Absage an die Unterwerfung der Wirtschaftspolitik unter das angebliche Diktat der Finanzmärkte.

Anmerkung

1 Aus dem Französischen übersetzt von Vanessa Redak.

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Journal für Entwicklungspolitik XIV/1, 1998, S. 153–165

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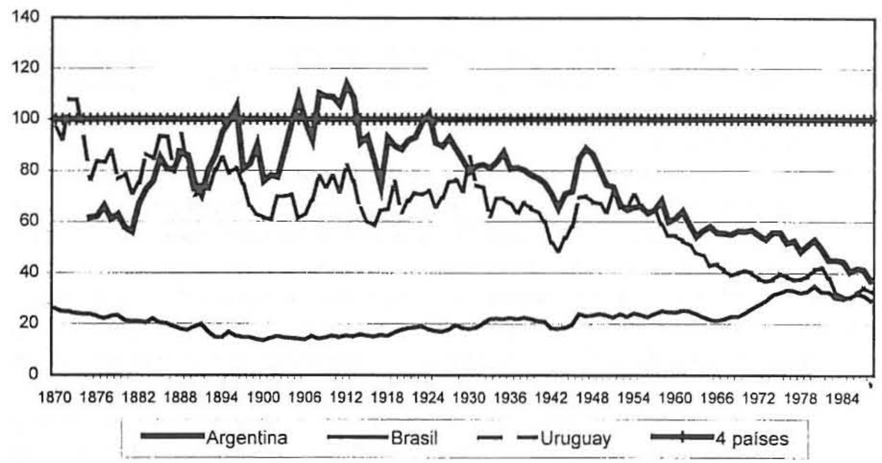
The Uruguayan Road Towards Regional Integration

This paper aims at characterizing the Uruguayan long-run development in terms of convergence and divergence with leading capitalist countries. Insertion into the world economy will be stressed when considering constraints to growth and the role of regional integration as part of the efforts to release these constraints will be highlighted.

1. Long-run relative growth[1]



Graph 1: Argentina, Brazil and Uruguay, 1870–1988: *per capita* GDP relative to the average of France, Germany, the U.K. and the U.S.A. (100)
1950–1988, PPP per capita GDP according to PWT56
1870–1950: advanced countries, spliced according to Maddison 1995; Argentina, Brazil and Uruguay, updates estimates of real per capita GDP, spliced to PWT data.
For further information see Bértola/Porcile 1998b, Graph 1.

As shown in Graph 1, in 1870–1990 the Uruguayan economy showed clearly differentiated patterns of relative economic performance. In 1873–1900 Uruguayan *per capita* GDP levels diverged from core countries ones, but they did so from levels similar, or even higher, to those achieved by the sample of advanced

countries. During the three first decades of the twentieth century, Uruguay kept pace with growth at the core. Thereafter, it experienced a constant and persistent decline. This decline meant that the Uruguayan *per capita* GDP had fallen from being similar to that of the four selected advanced countries to less than 40%. Still, Uruguay was successful in halting divergence in 1945–54 and 1974–78 – which represented, respectively, the heydays of import-substitution (during the democratic governments of the *neo-batllista* period) and of export promotion (during the initial phase of the military government of the seventies).
Economic historians, such as Maddison and Williamson, suggest that growth and convergence in the world economy were higher in 1870–1913 and 1950–1973, when free trade dominated, global factor markets expanded and the institutional setting stimulated factor movements and thereby a more efficient resource allocation (Williamson 1995). It is open to discussion whether technological diffusion associated to openness played a more or a less important role than the "venerable factor price equalisation theorem", to quote Williamson (1995)

Similar interpretations for the Uruguayan case can be found in Díaz, who stressed that Uruguayan relative backwardness started with the protectionist laws of the 1870s and 1880s, damaging the performance of the export sector (Díaz 1985: 54), and in Favaro and Sapelli, who stress that Uruguayan performance is highly correlated with the adoption of open foreign trade regimes (Favaro/ Sapelli 1989: 11–39).

Our data does not confirm these views. Uruguay, as well as Argentina and Brazil, experienced different patterns of convergence and divergence with leading countries. Uruguay diverged within different foreign trade regimes: both with export led strategies in the last decades of the nineteenth century and in the 1980s, as well as within protectionist regimes in the 1930s and 1960s. Similarly, it halted divergence trends in the 1920s in a context of relative foreign trade openness, in 1945–55 within a regime of hard protectionism and in the 1970s, with strong state policies directed towards export diversification.

By the same token, it is difficult to sustain that convergence and free market forces go together. In almost all periods of halted divergence, the state played an outstanding role in directing investment and regulating foreign trade as well as the labour market. That was the case specially in the 1945–1955 period and during the dictatorship 1974–1980, in which regulation of competition and between labour and capital was extremely intensive.

The dynamics of economic performance regarding convergence and divergence with leading countries, are better understood through other concepts. Besides the degree of openness, we want to stress the role played by different institutional settings and by the pattern of productive specialisation in relation to the behaviour of demand and the movements on the technological frontier.

2. The Golden Age of relative income levels

High per capita income levels, as well as relatively high growth rates were achieved by Uruguay in the late nineteenth century on the basis of an inter-industrial integration with the leading countries. This insertion was mainly due to the expansion of the European frontier and to an intensive immigration process to a relatively empty region, where capitalist relations and different factor markets developed based on the strengthening of the enforcement capability of the State and the relative weakness of other kinds of social relations.

High per capita incomes were also reinforced by the still weak conformation of the neighbouring nation states, communication networks and infrastructure of the region. All that benefitted the leading role of the harbour of Montevideo as a natural trading centre of the region and the expansion of the city, with connected service nets. At the beginning of the twentieth century, the consolidation of the neighbouring nation states, the increasing role of national frontiers, the expansion of national railroad networks and the improvement of other harbours (especially that of Buenos Aires) weakened the leading commercial role of Montevideo and the dynamics of regional trade. Simultaneously, the growth of the service economy and urbanisation led to a rather natural fall of the export-coefficient. This process of increasing closeness should continue until the 1970s, but with varying determinants and different patterns of relative performance.

What was more worrying than the export coefficient itself, was the fact that Uruguayan exports grew more slowly than export markets income in 1880–1913. An explanation for that was, on one hand, the decline of leather and *tasajo* exports. The latter depended on the fact that it was an inferior good, exported to the slave markets of Brazil and Cuba. On the other hand, the relatively late introduction of the frozen meat industry was performed when its more dynamic period was already surpassed. Domestic limits – i.e. technological, social and institutional – contributed, together with the small share of Uruguayan exports compared to those of Argentina and the relation of that fact to the *quotas* in freights from the region, to explain the Uruguayan delay and weak response to the challenges of the international market. However, its performance in the period is outstanding if compared to that of other Latin American countries.

Until the 1930s Argentina and Uruguay had not only high per capita GDP levels, but even real wages were high. They were similar or higher than those of the leading European countries and at least twice of those of the Latin European countries. That explained, to a high degree, the character of migrant flows to the region.

3. The exhaustion of inter-industrial convergence and the search for new patterns of international relations

3.1 Closeness, diversification and growth

The long-run divergence trend referred above, that lasts until now, took place within different regimes. However, a common and determinant problem underlies the whole process: the balance of payments constraint to growth, or the international insertion of the Uruguayan economy. The whole 1930–1950 period witnessed a sharp deterioration of the export coefficient. World GDP for Uruguay, as weighted according to the share of ten countries in Uruguayan exports, grew much more than similar figures for Argentina and Brazil. However, the World GDP elasticity of demand was then extremely low for Uruguay, and this counterbalanced the stimulus that World GDP growth could provide. As in the Argentine case, exports suffered negative demand changes, falling competitiveness and an unfavourable institutional setting. The Uruguayan case was very similar to the Argentine one. It suffered from UK bilateral practices and from USA agricultural protectionism. Yet, Uruguay did not go through an economic boycott during the war and early post-war periods as Argentina did. Both countries suffered also the emergence of a new hegemonic power in the world economy, with which they didn't have the privileged inter-industrial insertion they had with the United Kingdom. In several respects, the USA were competitive with Argentine and Uruguayan exports. On the contrary, Brazil found more opportunities for inter-industrial exchange with the United States.

As a result of this negative international context combined with the lack of domestic technological dynamics in the cattle-breeding sector (a well known fact still not convincingly tackled by scholars), the volume of exports stagnated in 1930–1970, being the strongly fluctuating terms of trade the key variable explaining changes in the purchasing power of exports.

Divergence was sharp until mid World War II. Since then and until the mid–1950s, and in spite of falling export coefficients, an intensive process of structural change reduced the elasticity of demand for imports and divergence was temporarily halted. Structural change was overwhelming: restructuring within cattle-breeding in favour of wool and dairy products reduced beef production; restructuring in favour of agriculture on the basis of reduced cattle-breeding areas; increased industrial production mainly on the basis of domestic raw materials when exports couldn't finance imports and mainly on the basis of imported raw materials when exports resumed in the late '30s; industrialisation based on already existing installed capacity in the early '30s and based on resumed investment afterwards; extensive growth in the '30s, when food and raw materials were cheap and unemployment extended, and based on increased protectionism and significantly improved real wages in the post World War II period; a strong import substitution in the energy sector, based on the expansion of the hydraulic electricity production, on the domestic refinement of combustibles and on the strong reduction of coal imports. However, the structure of exports suffered minor changes: beef exports collapsed and meat production was increasingly consumed by the expanding domestic market; wool became the outstanding product, and it was exported with higher value added; even agricultural products, as linseed and linseed oil, wheat and wheat flour, were increasingly exported. Common features regarding the changes in the export structure were their land-based character, the determinant role of exchange which favoured the industrialisation of raw materials and the fact that they were mainly directed to the dollar area, as an attempt to release dependence on the weakened pound sterling area.

Although the post World War II period is being characterised by increasing and relatively high real wages and by the expansion of public expenditure, it can hardly be seen as a "fordist" growth model. Widespread and unselected protectionism – instrumented by means of import *quotas* and the well-known multiple exchange-rate system, which in turn was made possible by improved terms of trade – allowed real wages to grow due to the fact that higher costs were immediately transferred to prices. While the huge capital goods investment allowed a significant productivity growth, wages were mainly regulated by protectionism. Dependent on the terms of trade, they were hardly dependent on some kind of endogenous productivity growth. The latter was embodied in imported capital goods and showed a latent tendency to decrease impact on productivity growth, as increasing returns were blocked by the small domestic market and as imported capital goods showed high degrees of obsolescence.

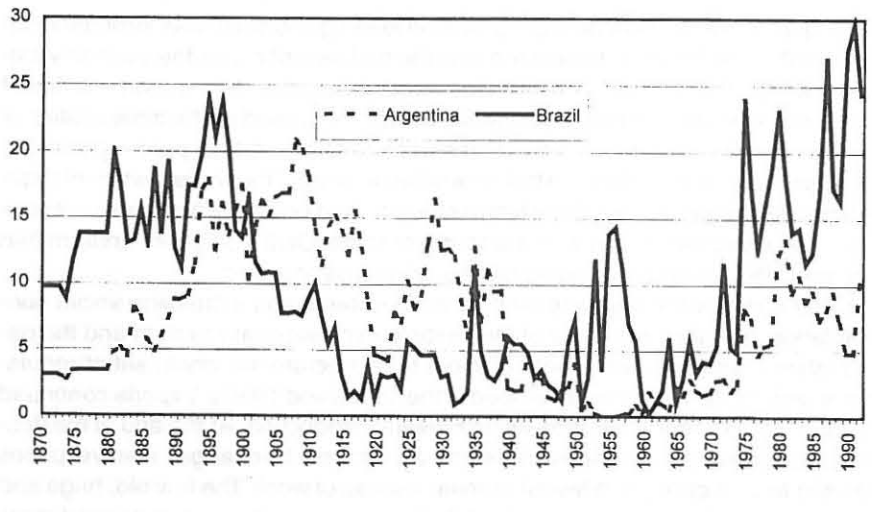
3.2 Stagnation, increasing confrontation and the return to the countryside

Divergence from per capita GDP growth in leading countries was strongly resumed in the late fifties and persisted until the mid-seventies, as the economy stagnated. By the fifties import substitution was exhausted and the import coefficient could no longer be reduced, a fact which became amplified by the deterioration of the terms of trade. Temperate countries competing with European agricultural production suffered most from this deteriorating trend. The whole system of regulations (subsidies, the exchange-rate spread, fixed producer and consumer prices, etc) collapsed in line with the terms of trade. Cattle-breeders undermined the prevailing regime by means of smuggling and hoarding.

The sixties were characterised by timid reforms and increasing social confrontation. The abandonment of the multiple exchange-rate system and the devaluation of the peso were not sufficient to restructure the whole set of regulations and social demands developed in the 1940s and 1950s. Exports continued to stagnate, as well as land-based and overall production. At the end of the decade, the signals from the world economy started to change: relative prices started to shift strongly in favour of meat instead of wool. The few old, huge and obsolete slaughter-houses were laid down while several new smaller and more flexible plants appeared. World demand seemed to start a new age of expansion of meat consumption. In a domestic political context, characterised by a stabilisation plan centred on consumption-price controls, freezing of nominal wages and the introduction of severe restrictions to political rights, the old cattle-breeding sector seemed to lead the economic recovery. In 1973 two facts contributed to deepen and to re-orientate the process: the *coup d'état* aimed to solve the political resistance to the adjustment, the oil crisis and the decision of the EEC countries to stop meat imports, forced the introduction of new policies in order to stimulate changes in export structure.

3.3 "Non-traditional exports" and the monetary adjustment: delayed divergence

In 1974–1978, a new growth model was conformed. Although it was applied for a short period of time, some of its main characteristics survive until now. One of the main macroeconomic facts was the openness of the economy. As meat exports to Europe collapsed, thanks to a hard state intervention they were restructured and re-oriented. So called "non-traditional exports" were promoted: leather products, rice, dairy products, products of non-metallic minerals and, to a lesser extent, inputs to the automobile industry. Markets were also diversified. Emerging markets, such as that of Brazil, Israel and the oil exporting countries were the destiny of the traditional products. On the other hand, what could be called intra-industrial trade (chemicals, autoparts, etc.) were mainly directed to the Argentine market, a market showing low dynamics and to which Uruguayan exports enjoyed a privileged situation similar to that of the import-substitution period.



Graph 2: Argentine and Brazilian share in Uruguayan exports, 1870–1990
Own estimates on the basis of different official estimates

Traditional exports, based on static comparative advantages, were directed to emerging markets. With some of them, especially Brazil, trade acquired features of North-South relations (exchange of primary products for capital goods or consumer durables).

"Non traditional exports" based their competitiveness on cheap credits, tax exemptions and considerably lowered real wages. Land-based production was also benefitted from the weakened position of agrarian producers and therefore cheap raw material prices. Production mainly based on imported raw materials and domestic industrial value added benefited from lower wages and some kind of privileged access to foreign markets (Argentina).

In other words, no radical change of the basis for competitiveness were laid, at least, no radical change that could sustain a more dynamic integration to the world market. Trade was redirected towards markets with relatively lower per capita income, and regional trade with Argentina and Brazil – amazingly low during the age of import substitution – increased considerably.

As liquidity in financial markets increased and monetarist ideas extended in the late 1970s, the model's character shifted from a more productive to a more monetarist one. The main purpose of policy makers was to stabilise prices in line with international ones. The exchange-rate was the key variable and was fixed six months in advance. Overvaluation on the basis of intensive capital inflows tended to damage competitiveness, a process deepened by liberalisation of several export oriented productive chains. Imports increased, but the dynamics of exports was damaged. Payments were balanced thanks to the intensive capital inflow.

When the system finally collapsed, the chain of devaluation, increased foreign debt, inflation and recession, led to a deepening of the income gap with developed countries. By 1990, 1982 per capita GDP figures were hardly recovered.

4. The Age of Mercosur

4.1 Democracy, openness and continued lagging behind

The democratic regime since 1985 had two main problems to solve: to resume the export flow to an extent that could make debt payments possible, and to legitimate some macroeconomic "gains" of the military regime under democratic forms. The most difficult task was to keep wages at a level near 60% of those of the 1960s, together with labour market and political stability. The new government was, without any doubt, successful in this task.

Favoured by positive regional shocks, exports grew fast during the late 1980s. The commodity structure didn't change, but the role of the regional market increased significantly, up to 40% in the case of exports, as it is shown in Graph 2. Regional trade was now supported by two bilateral agreements:

CAUCE (Convenio Argentino-Uruguayo de Cooperación Económica) and PEC (Protocolo de Expansión Comercial). These two agreements channelled an increasing share of regional trade. Besides, the PEC favoured a timid but significant increase of intra-industrial trade with Brazil, earlier limited to the export of traditional goods from Uruguay.

Due to an extremely low point of departure, GDP grew significantly during a few years. However, by the late eighties, at levels still similar to those of the beginning of the decade, growth tended to diminish and the divergent trend could not be reverted. During these years, capital outflows were important since efforts were made to pay the external debt. Despite of timid but positive reactions to the favourable economic climate, investment was kept at relatively low levels while growth was mainly limited to the utilisation of idle capacity.

In the eve of the creation of the Southern Cone Common Market (Mercosur), the Uruguayan dependence on the regional market was so strong that joining the agreement became one of the most important and overwhelming consensus achieved in the Uruguayan society in the last decades, besides the democratic transition. Objections were raised mainly by the extreme left of the political spectrum, who considered the project being a response to the demands of multinational enterprises, and by some groups on the right, who considered the world as a whole to be the proper trade partner and the neighbouring countries to be too risky and out of balance partners. This argument considered that there were no gains from creating trade in a region with too many uncertainties and that, therefore, it was wrong to search for improved competitiveness in that area, without having any chance to be successful at the international level. Wrong signals could be given to investors.

The left argued that open regional integration – that is, integration in a context of trade liberalisation, privatisations and state reform aimed at diminishing the capability of the state to orientate economic activity – was the strategy of capital to achieve higher levels of mobility and to avoid the controls of nation states in order to benefit the working classes and national development strategies.

The consensus around the Mercosur conciliated different points of view. Entrepreneurs pragmatically tried to maintain the positions won in the regional market, whether they depended on formal trade agreements or not. From the point of view of the leading political groups, the Mercosur consolidated trade flows within the region, improved the position of domestic finances as well as other services in regional flows, and enhanced the political power and regional role of a small nation. The Mercosur was also seen as an extended platform in order to compete in the world market.

The majority of the political left and the trade unions supported the Mercosur with different arguments. The traditional, leftist and structuralist, critical historical view of the conformation of the Latin American nation states, emphasised that the new nations were more linked with the centres than with each other. Their productive structures grew therefore in dis-equilibrium, and, when industrialisation deepened, the artificial national frontiers created in the XIXth Century became restrictions to integration and growth. The Mercosur could be seen as a reversion to this trend. On the other hand, the search for economic diversification and structural change could find in the Mercosur an enhanced domestic market, able to revert the limits to increasing returns posed by the domestic one. The Mercosur could even be a political, technological and cultural project, able to resist, and even compete with central power hegemony implicit in the age of globalisation.

4.2 The ECLA tradition on integration and the European experience

The Latin American structuralist tradition, as expressed by ECLA, never defended processes of industrialisation by import substitution limited to the domestic markets. A wide gap existed between what was argued by theorists and the concrete economic policy applied by different governments. The latter depended on the particular conformation of nation states, their political systems and on the particular power relations, specially the role played by the entrepreneurial behaviour in relation to the state. Closeness, on the other hand, was to a high degree the result of unfavourable international conditions, both in the form of low demand dynamics, institutional constraints posed by core countries and lack of foreign capital investment.

The ECLA tradition strongly recommended regional integration as a way of avoiding domestic market restrictions to increasing returns and unplanned, indiscriminate protection. Economic integration was seen as a basic component of the industrialisation and structural change strategy, which saw the role of the state as central in promoting diversification in order to overcome the peripheral position in the world economy. Industrialisation was considered to be a process highly dependent on a voluntary institutional construction and not as a natural result of capitalist development, which was to a high degree centripetal. In the same way, the construction of a regional space was a goal to be achieved on the basis of political decisions, in order to promote structural change and development.

Making any comparison of the European integration process and the Latin American one needs to have these different trajectories in mind. Obviously, the Mercosur is not the result of a process similar to that of Europe. In the latter, economic integration was the result of the expansion of mass production and consumption, the growth and leading role of intra-industrial trade among and within multinational enterprises, combined with the role of nation states in order to stabilise demand flows. The institutional building, interacting with economic development, was not necessarily a precondition. Economic integration in Europe was a process with deep historical roots.

The Mercosur cannot be seen as a mechanical copy of the European experience, a caricature that transposes some stylised aspects of other integration processes to a quite different environment, with the purpose and result of mounting down nation states and favour corporate mobility and profits. Even if this may be part of the truth, democratically stabilised political regimes in the Mercosur, conciliate, as said above, different streams of thought and political action, which have deep roots in the region's efforts to build up institutional arrangements able to promote development and growth. The lack of consideration of these components of the process may lead to conclusions that under-estimate the potential of political and social movements and forces, which can find in the process of regional integration a favourable environment for the application of policies looking for structural change and social equity. To search for new forms of international insertion is a key aspect for every development strategy, as it has been the core problem since, at least, the exhaustion of the inter-industrial integration of the Pax Britannica.

4.3 Some recent evidence on regional performance

The creation of the Mercosur has coincided, hitherto, with a particular international environment characterised by liquidity in financial markets. Contrary to the climate at the time of the Washington Consensus, when payment of foreign debts and capital outflows dominated, the 1990s found the financial markets in a fluent state. On the other hand, from the point of view of the Mercosur countries as receptors of investment, the privatisation programmes, the demand for short run credits to back up the stabilisation programmes, and the general expansive climate favouring capital repatriation configured a positive scenario for capital inflows.

The stabilisation programmes, successful in the task of abating inflation and public sector deficits and unsuccessful in controlling social indicators and unemployment, configured a situation characterised by relatively over-valued domestic currencies and deteriorating international competitiveness. The region has grown very fast during the last six years. Balance of payments equilibrium has been achieved by means of a fast growing but unbalanced foreign trade and by the mentioned strong capital inflow.

Trade within the region grew very fast, considerably increasing interdependency. However, trade with the rest of the world increased much slower and, what is worse, the trade deficit with the rest of the world is remarkable: in 1990–1996 exports grew at an annual rate of 5.4%, while imports did it at a rate of 19.3% (see Tables 1–2).

	1990	1996	To	Growth rates 1990–1996
Uruguay	34.7	47.0	Mercosur	9.4
			Rest of the world	3.7
			total	5.9
Total	8.9	22.6	Mercosur	26.6
			Rest of the world	5.4
			total	8.3

Table 1: Uruguay and Mercosur: share and growth rates of exports to Mercosur, 1990–1996
Source: Comisión Sectorial para el Mercosur, Informe de Coyuntura, segundo semestre 1997.

	1990	1996	From	Growth rates 1990–1996
Uruguay	39.6	44.1	Mercosur	15.7
			Rest of the world	12.1
			total	13.4
Total	15.1	20.2	Mercosur	26.2
			Rest of the world	19.3
			total	20.2

Table 2: Uruguay and Mercosur: share and growth rates of imports to Mercosur, 1990–1996
Source: Comisión Sectorial para el Mercosur, Informe de Coyuntura, segundo semestre 1997.

During these years the productive restructuring has been intensive. Old industrial branches have been totally dismantled, while many other processes do not yet show clear developing tendencies. The key question is how exports will perform when the financial climate changes. Limits to the prevailing regime are not necessarily around the corner, but not too far away. Possibly, restructuring in many branches may lead to increased international competitiveness, when macroeconomic policy shifts towards more realistic exchange rates or when production and productivity adapts to the prevailing ones. On the other hand, besides stabilisation programmes, not too much exists and not too much has been developed in order to improve the region's competitiveness in terms of quality: industrial policy almost disappeared in Argentina and Uruguay, and is still alive but considerably weakened in Brazil.

Despite of the risks associated with volatile capital markets, catastrophic forecasts seem not to be the most probable ones. Possibly the Mercosur may survive and within it the Uruguayan economy will continue to grow at fluctuating, but not sufficiently high rates so as to shorten distance to the leaders.

A significant process of convergence cannot be achieved if real wages and other social indicators do not move upwards, and these factors are highly correlated with improved quality competitiveness, associated to significant efforts to promote technological innovation, structural change and selective specialisation. The nation states, dynamically involved in regional integration processes, still have a decisive role to play, if well articulated with the private sector and civil society in general.

Abstracts

In diesem Artikel wird die langfristige ökonomische Entwicklung Uruguays seit 1870, vor allem auch im Hinblick auf Konvergenz und Divergenz mit führenden kapitalistischen Ländern, untersucht. Dabei läßt sich auf der Grundlage einer Reihe empirischer Daten feststellen, daß entgegen traditioneller Annahmen, die Divergenz zu den zentralen Ländern während Perioden exportorientierter wie protektonistischer Handelsregime zugenommen hat. Die Ursachen für diese ökonomischen Entwicklungen sind, wie im Rahmen der historischen Analyse gezeigt wird, neben dem Grad der Offenheit der Ökonomie vor allem bei verschiedenen institutionellen Formen, der Rolle des Staates und den Spezialisierungsmustern im Produktionsbereich im Verhältnis zur Nachfrage und zu technologischen Veränderungen zu finden. Dabei lassen sich verschieden Perioden, die durch unterschiedliche Handelsregime charakterisiert sind, ausmachen, wobei auch die aktuelle Periode – der Integrationsprozeß im Mercosur – näher untersucht wird. Dabei wird festgehalten, daß ein signifikanter Konvergenzprozeß nicht erreicht werden kann, wenn die Reallöhne und andere Sozialindikatoren sich nicht verbessern.

This article discusses the economic long-run development of Uruguay since 1870 by looking at convergence and divergence with leading capitalist countries. On the basis of broad historical data is shown that contrary to traditional assumptions the divergence with central capitalist countries increased during periods of export-oriented as well as protectionist trade-regimes. The causes for this development are not only to be found in the degree of openness of the economy, but, as the historical analysis shows, also in different institutional settings, the role of the state and the patterns of productive specialisation in relation to the behaviour of demand and technological changes. Historical periods which are characterised by different trade-regimes can be distinguished. The actual period – the integration-process of Mercosur – is also part of the detailed analysis. At this point the author stresses that a significant process of convergence cannot be achieved, if real wages and other social indicators do not move upwards.

Note

1 For a more extense discussion of this article covering even the cases of Argentina and Brazil see the following works of Bértola, L., G. Porcile. 1998. *Argentina, Brazil, Uruguay and the World Economy: an approach to different convergence and divergence regimes* and "Cambio Institucional, Tecnología y Convergencia/Divergencia Económica: Argentina, Brasil y Uruguay 1870–1990", as well as Bértola, L., G. Porcile, R. Ehlers, R. 1998. "Tecnologia, convergência e divergência econômica: Argentina e Brasil, 1900–1990". *Revista de Economía,* UNICAMP.

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Journal für Entwicklungspolitik XIV/2, 1998, S. 167–191

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Regionale Integration und Entwicklung im *Cono Sur*[1]

„De las entrañas de América	Aus dem Inneren Amerikas
Dos raudales se desatan	brechen zwei Ströme auf.
El Paraná, faz de perlas,	Der Paraná mit seinem Perlenantlitz
Y el Uruguay, faz de nácar.	und der Uruguay mit dem Antlitz einer Perlmutter.
Los dos entre bosques corren	Die beiden fließen zwischen Wäldern
O entre floridas barrancas,	oder blühenden Schluchten
Como dos grandes espejos	wie zwei große Spiegel
Entre marcos de esmeraldas.	zwischen Grenzpfälen aus Smaragd.
...	...
Luego en Guazú se encuentran,	Bald treffen sie sich in Guazú
Y reuniendo sus aguas,	und durch die Verschmelzung ihrer Wasser,
Mezclando nácar y perlas,	durch die Vermischung von Perlmutter und Perlen,
Se derraman en el Plata."	ergießen sie sich ins Platadelta.
Luis Dominguez	

Am 20. Juni 1870 fand Südamerikas blutigster Krieg sein Ende. Er ließ eine zerstörte Nation und ein fast ausgelöschtes Volk zurück. Ausnahmsweise vereint beendeten die Truppen aus Argentinien, Brasilien und Uruguay mit ihrem erfolgreichen Feldzug den Großmachttraum des paraguayanischen Präsidenten Solano Lopes. Der letzte Teil des Feldzugs führte zum Genozid an fast der gesamten männlichen Bevölkerung Paraguays. Zu diesem außergewöhnlichen, fast ausschließlich von brasilianischen Truppen ausgeführten Werk, waren selbst Jahrhunderte der spanischen Kolonialherrschaft über das Volk der Guarani nicht imstande gewesen. Nach dem Feldzug kehrten die Sieger einander den Rücken zu, ließen die eroberten Landstriche zurück und kehrten zur Isolierung und zum gegenseitigen Mißtrauen zurück, das historisch ihre Beziehungen zueinander geprägt hatte. Wenig mehr als ein Jahrhundert später begannen die zwei großen Rivalen der Region, Argentinien und Brasilien, einen noch nie dagewesenen Prozeß der politischen Annäherung und der wirtschaftlichen Integration. Sie luden dazu Paraguay und Uruguay ein und schufen so den Mercosur. Die Annäherung der Nachbarländer des Cono Sul ist nicht in erster Linie eine historische Versöhnung. Vielmehr könnte sie als das Entfalten einer neuen politischen und wirtschaftlichen Dynamik am Ende dieses Jahrhunderts – charakterisiert durch den Fall der Berliner Mauer und die Globalisierung – verstanden werden, die die Weltkarte neu zeichnet.

Charakteristisch für die gegenwärtige Epoche voller Veränderungen ist die neue Art und Weise, mit der die Gesellschaft mit ihrer Beziehung zu Raum und