

ARQUIVO 19

Artigo

INTEGRATION AS A CONSTRUCTED HISTORICAL PROCESS

Latin American and Caribbean Academic Association: Latin American and Caribbean Integration.

The history of the political, economic and social structuring of Latin America and the Caribbean shows a great diversity, under the most diverse aspects, of this huge geographical area of the American continent. Since the beginning of the XIX century there has been a struggle for the ideal of freedom from the domination of the European settlers,



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conducted many times by their offspring, essentially by the Latin American population. In the Caribbean, the greater complexity of the settlement carried on such struggle,

many times, up to the current century. Lulled by the ideal of freedom, the Latin American and the Caribbean people are acquiring, little by little, independent notions, reaffirming the historical search of the humanity for self-determination, with the formation of the States, originated in Europe after 1450, with the Renaissance. However, finally we perceive that this great diversity of the Latin American and the Caribbean people converges, at first, to the ideal of self-determination, leading to the visionary perception of Simón Bolívar, toward the doctrine of integration as one sole nation or mother-land, which instructed the "Treaty of the Union, Alliance and Permanent Confederation" in 1816.¹

Notwithstanding, The challenges of the Latin American and the Caribbean self-determination led to an effort concentration in the consolidation of chief states in the XIX century and in the first half of the XX century. Regarding the economic aspect, although with certain regional differences, prevailed the mineral and the agrarian exportation to the main world markets concentrated

in Europe and, later on, in the United States, followed by industrialization substituting imports to tend to the expanding markets. Striving for being a nation, these challengers led Latin American and the Caribbean countries to isolation.

In the few years following the second world war and in the late 50's, the economic development, especially that of the Latin American countries, based in the industrialization through the import substitution faces obstacles, which are the small internal markets. We will discern, later on, three moments that gradually outline the recent historical integration in Latin America and the Caribbean, searching the alternative of the expanding the regional market, as follows:

A period of over thirty years, beginning in the late 50's and throughout the 80's when we experienced unsuccessful concrete experiences, which were nevertheless an important step in our apprenticeship and experiences, reactivating the successful expectations in the economic integration among the chief nation, such as: the *Latin American Association Free Trade LAFTA*, and the *Central American Common Market - CACM*, in 1960 and the of Latin American Development and Integration

¹ DUPRE, Carlos, *El Proyecto de la Comunidad Latinoamericana de Naciones*, IN FLORÉNCIO, Sérgio Abreu e Lima & ARAÚJO, Ernesto Henrique Fraga. MERCOSUL HOJE, Publ. Alfa-Ômega, 1995

- ALADI, in 1980, followed by the "Declaration of Iguazu", in 1985, when the *Argentinean-Brazilian Integration* was established, and in November 1988, by the *Treaty of Integration and Cooperation Argentinean Brazilian* for the formation of an economical space shared for a period of ten years, the *Common Market*. This is the moment when the Latin American countries experienced a state of introspection, searching schedule and trying to substitute the products, up to then imported, by their own industrial production. The Procedure, was called by the Economic Commission for Latin America, ECLA, of "Model for Development Through Imports Substitution".

The second moment has its outline in the late 80's and early 90's, coinciding with the intensification of the big scientific, technological and administrative world transformations, led by the micro-electronic, the computing and the bio-technological extraordinary progress. These transformations are followed, as regarding the institutional and systematic aspects, by the renewal and the assertion of the basic principles of the market economy and the revival of the political doctrine and the democratic ideals of the harmonic interaction among chief nations. It is in this revigorating context, emphasizing the industrial development in the "Model for Competitive Industrialization in Global Markets", seeking the industrial development through exports incentives, that a new impetus for the integration and the formation of economic blocs takes place, developing the aspiration for a stronger integration through the constitution of a common market aiming at a complete economic union.

The third moment we shall construct

will be that of a complete economic integration among the nation, based in the union of hearts and minds, which will always risk failure if it does not assimilate more subtle aspects like the technological, scientific and academic cooperation and the recognition of the diversity of the inherited cultural manifestations, as fundamental

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elements for the consolidation and maintenance of this integration. When the negotiable aspects merely prevail, the flame of the shared ideals will lack, ideals which spring from the sharing and the better knowledge among the parties involved, in order to settle any incompatibility with will always arise in the partnership among chief nation. We herewith highlight the necessity of accelerated measures for the cooperation and the sharing of ideas and ideals, in the current phase of MERCOSUR. Besides, we also believe in the necessity of overcoming the formality in the relations among nations and which often predominates among the member nations, and of rendering the contacts among entrepreneurs even more profitable.

In the period following the second world war, the feeling of necessity to strengthen the economic relations among the nations, in order to build a broader market bringing multi-lateral benefits arises. It is then signed the "Treaty of Montivideo", in 1960, creating the LAFTA (*Latin American Free Trade Association*), aiming at establishing a zone of free trade. This Agreement was based in the fundamental principles of reciprocity and the provision of more favourable nations. The first case aimed at a procedure which would compensate those members whose commerce with the other countries would be highly deficitary and the second one determined that the tariff concession every member nation would grant to third parties, should be extended to the other members of the Association.²

LAFTA was not successful, as the commerce liberation discriminated certain goods; a mechanism to guarantee a fair distribution of the costs and benefits of the integration was not established; the harmony of the economic policies of the countries was not anticipated; there happened a strong sectorial opposition; the industries were concentrated in the most developed countries, in detriment to the others.

Due to the LAFTA difficulties, it was substituted by ALADI (*Association of Latin American Development and Integration*), in 1980. The "Treaty of Montivideo" contains the basic principles of the ALADI, which organizes a negotiation forum to promote multi-lateral agreements, based on bilateral negotiations.³

Admitting the heterogeneity of the Region, it is a more flexible condition for the regional integration, praising the promotion and the regulamentation of the reciprocate commerce. However, ALADI did not obtain the anticipated success in its promotion among the

² LIBERAL INSTITUTE, *Políticas Alternativas - Mercosul II*, Liberal Institute of Rio de Janeiro, Brazil, conjoint with: IEERAL, of Fundação Mediterrânea, Argentina; CERES, Uruguai and Fundação de Cooperação e Desenvolvimento, Paraguai, Rio de Janeiro, April 1993, p.p. 12-13

³ LIBERAL INSTITUTE, *op. cit.* p-14

Latin American nations either. From 1980 on, ALADI establishes multinational mechanisms to reduce the tariff exemption barriers and demand that the Latin American nations channel their commercial trends to the Region.

These experiences, however, taught a lesson as to the necessity of schedule (to minimize the economic and social costs) flexibility (to adapt to the oncoming concrete situations) balance (not to cause an excessive specialization in the private economic sectors) specification (to include few projects in each phase) as a fundamental economic integration which would influence the next two Latin American experiences: the *Argentinean-Brazilian Integration*, starting with the "Declaration of Iguazu", in 1985, and the *Common Market*. In July 1986, in Buenos Aires, Presidents Alfonsín and Sarney signed the "Memorandum for the Argentinean-Brazilian Integration", creating the "Program of Integration and Economic Schedule" - PIEC. The Common Market was established with the "Threat of Integration, Cooperation and Development", between the Republic of Argentina and the Federative Republic of Brazil, in 1988, bearing a more developed concept of participation in a "common economic space" and the future possibility of adapting a Common External Tariff, in relation to third countries - (CET) and the harmonization of the policies of foreign trade, transportation, communication, science, etc.⁴

Adding the "asymmetric reciprocity", that is, eventual tariffs and enumeration of products differed among nations in stages of development unequal and the "principle of symmetry", equation of costs and economic benefits among the

member countries, we conclude that a precious experience was accumulated, opening new paths for the historical constructions advancement of a higher track of integration in Latin America and the Caribbean: The Economic Union. In this context, the *Southern Common Market - MERCOSUR* and the *Association of the Caribbean States - ACS* are more concrete steps in his direction.

It's no use detailing all the important historical phases of the 90's, which resulted in the signature of the "Treaty of Assunção", in March 1991, by the Presidents of Argentina, Brazil, Paraguay and Uruguay, when the member countries constituted the bases for a *Southern Common Market*. In turn, on the 24 th of July 1994, after laborious negotiations, the 24 governors of the Caribbean subscribed in Cartagena, Colombia, the constituting memorandum of the *Association of the Caribbean States*.⁵

The historical atmosphere which permeate these decisions is, notwithstanding, completely different from the one that permeated the previous decades. The great technological and managerial transformations and the global markets imposed the end of the paradigm of the first half of the current century, including the "Model of Industrialization in Substitution to Imports". We have entered the era of the "Model of Industrialization in Global markets", the one of the predominance of the rules of the competitive market and of the representative democracy. This new reality now dominates the course of the negotiations and the programmed contents of the economic integration.

The MERCOSUR and the ACS

resulted, therefore, from a new pattern of economic development defined by the international economical opening and the regional integration and the stimulus to the complementarity among the national economies, aiming at turning the member countries more competitive in the world setting. The results of the *Southern Common Market* are confirmed by the expressive increases of the commerce flux among the member countries. The reason for harmonizing the macroeconomic policies of the member countries, respecting the "principle of symmetry" has, as a simple and direct indicator, the evolution of the negotiations on the Common External Tariffs - CET's, concerning the third countries; while an agreement regarding the values of the lists of products to have common tariffs and the amounts of these tariffs is not reached, there are a few obstacles for the harmonization of the national macroeconomic policies. However, although the negotiation for the establishment of the transitory and additional exemption lists, and the common external tariffs have not been concluded in December 1994, as anticipated by the "Treaty of Assunção", MERCOSUR negotiations had a great advancement, as well as the initiatives and business negotiations and the eleven subgroups of work. The extraordinary advancement of MERCOSUR can also be confirmed by the accomplishment of the chronological schedule of Las Leñas, which assemble the deadlines for the integration necessary tasks.⁶ Since January 1995, the Common External Tariff - CET is in effect for 85% of the customs duty universe, with an average of 14% and a maximum of 20%, each country establishing distinct tariffs between 0% and 35% for the other customs duty universe, except for the capital goods, computers, telecommunications, and

⁴ LIBERAL INSTITUTE, op. cit. p.16 and MINISTRY OF FOREIGN AFFAIRS - MRE, *Mercosul: Informações Gerais e Desenvolvimentos Recentes*. Division of the Southern Common Market, via Internet: <http://www.mre.gov.br/getec/webgetec/bdmsul/dmc.htm>

⁵ LORENZO, Tania García, *La Asociación de Estados del Caribe: potencialidades y desafíos*. Rcvuc COMERCIO EXTERIOR - Banco Nacional de Comercio Exterior, S.N.C., Vol 45, No.4, Mexico, April 1995

⁶ MRE, op. cit. p.3

automobiles, which constitute the exception list.⁷

We have to emphasize the imperious necessity of strengthening the integration of Latin America and the Caribbean as it is the only way to face the challenges of the technological and managerial modernization, the globalization of the speculative financial markets of continuous operations day and night and the unemployment menace. Today, integration and economic growth walk together. The integration of the international trade flows improves the use of the national resources and the efficiency of the enterprises as it increases competition and induces to apprenticeship and to technology transfer.

On the last report entitled "Global Economic Perspectives", the World Bank (BIRD) makes a prognosis that up to the year 2005 the annual average rate of economic growth will be of 6,8% in Eastern Asia, 3,7% in Southern Asia, 3,7% in Europe and Central Asia. However, in Latin America and the Caribbean it will be of 2,2%, in the Sub-Saharan Africa of 0,9% and in the Middle East and Northern Africa of only 0,4%.

The last mentioned countries will present an annual rate smaller than that of the industrialized countries, estimated in 2,4%. These differences

in the economic growth rates, according to the World Bank, are due less to the regional factors than to the integration level among the countries and the world economy.

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However, as it was highlighted, the high, non-substituted and conjoint necessities of the scientific, technological and academic integration, the ethical, political, social and environmental principles, the acknowledgment of the diversity of the inherited cultural manifestations as fundamental elements for the consolidation and maintenance of the Latin American and the Caribbean

integration increase. A political integration maintained at medium and long terms has to be structured on these pillars. The Universities have a fundamental role in the legal, fiscal and accountable compared studies and their evolution, in the member countries, as well as in their histories. The broad exchange of technical and scientific knowledge and the inter-relationship among different cultures, preserving the fundamental historic roots, should have phases and integration means very well scheduled and financed, as those of economical and managerial nature. Our Universities have a fundamental role in the exchange of professor and students, as a strategic factor of cultural integration, as well as the growth of the tourism activity. In this way, consistent ties of a web of more complex interactions will be more consistent, not only for goods and services flows, but also for investment and financial capitals.

Finally, based on the "principle of specification" and on the historical antecedents above summarized, I am fully convinced that we are gradually on the way for the construction of the *Latin American and the Caribbean Economic Union*, toward an *Area of Free Trade in the Americas*, based on our mutual experience and alert to the transformations, circumstances, interests and trends which shape the world's destiny.

⁷ FERRER, Aldo, *Mercosul: Trayectoria, Situación Actual y Perspectivas*. In *Revuc COMERCIO EXTERIOR Banco Nacional de Comércio Exterior, S.N.C.*, Vol. 45, No. 11, México, November 1995, pp. 819-20