



Twenty years after a path called MERCOSUR



The last 26th of March, MERCOSUR turned twenty years old, in the anniversary of the signing of the Treaty of Asunción, in Paraguay, that provided it with the necessary legal framework. His gestation, assures Oscar Laborde, Representative of the Foreign Ministry of Argentina, was an act of institutional engineering by Brazil and Argentina, in order to process their contradictions in the economic and commercial field.

Today, twenty years after the signing of the Treaty, some people claim that there already is a model of integration, and effective structures and accomplishments.

Accomplishments and failures of Mercosur

“UNASUR is perhaps the most important realization of this process, for the achievements fulfilled: a common front towards the attempted coup in Ecuador, mediation between Colombia and Venezuela, and the stopping of secessionist attitudes in Bolivia; that is to say tangible issues, that the citizens can verify, and that point directly to the consolidation of democracy and the consolidation of human rights”, assures Laborde.

On the other hand, there are people who criticize the Southern Common Market (Mercado Común del Sur, MERCOSUR), on the grounds of not being able to overcome the continuing internal conflicts, and not managing to expand itself, for the obstacles posed to the acceptance of Venezuela with the same status of its founding members, Brazil, Argentina, Paraguay and Uruguay.

During those two decades, episodes of commercial crises between Argentina and Brazil have repeated themselves, and so have requests from Paraguay and Uruguay to correct the asymmetries existing with the economies of their larger partners.

Moreover, the partners of the bloc have not succeeded in exiting from the crisis that shook them in the nineties, nor could they realize the awaited, and hoped for, free trade agreement with the European Union. Notwithstanding all of this, the regional mechanism was able to increase internal trade from 4.500 million \$ in 1991 to 45.000 million \$ in 2010.

An agreement between developing countries

Along the way there have also remained issues like the adoption of a single currency, following the example of the European Union, or the better functioning of entities like the Court of the MERCOSUR.

Twenty years after the beginning of an ambitious path called MERCOSUR, some people claim that it is possible, and also necessary, to maintain an optimistic vision, and attitude. *“A very positive step between the countries of the region from the political and social standpoint”*; affirms Aldo Ferrer, former Minister for the Economy of Argentina. We have to take into account that, unlike the European Union, MERCOSUR is and therefore, not fully mature industrial economies. This is obviously a very complex reality, in which, to some extent, the national transformation and the project of integration are converging.

Flavia Cori



MERCOSUR

Mercosur is an economic and political agreement between Argentina, Brazil, Paraguay and Uruguay. Founded in 1991 by the Treaty of Asunción, which was later amended and updated by the 1994 Treaty of Ouro Preto. Its purpose is to promote free trade and the fluid movement of goods, people, and currency.

Bolivia, Chile, Colombia, Ecuador and Peru currently have associate member status. Venezuela signed a membership agreement on 1 June 2006.[3] The founding of the Mercosur Parliament was agreed at the December 2004 presidential summit. It should have 18 representatives from each country by 2010, regardless of population.

The Southern Common Market promotes:

- The free transit of produced goods, services and factors between the member states. Among other things, this includes the elimination of customs rights and lifting of nontariff restrictions on the transit of goods or any other measures with similar effects;
- Fixing of a common external tariff (CET) and adopting of a common trade policy with regard to nonmember states or groups of states, and the coordination of positions in regional and international commercial and economic meetings;
- Coordination of macroeconomic and sectorial policies of member states relating to foreign trade, agriculture, industry, taxes, monetary system, exchange and capital, services, customs, transport and communications, and any others they may agree on, in order to ensure free competition between member states;
- The commitment by the member states to make the necessary adjustments to their laws in pertinent areas to allow for the strengthening of the integration process.

MERCOSUR official web site <http://www.mercosur.int/msweb>

UNASUR

UNASUR is a Community of four countries (Bolivia, Colombia, Ecuador and Perú and associated members (Chile, Argentina, Brazil, Paraguay and Uruguay) that voluntarily decided to join together for the purpose of achieving more rapid, better balanced and more autonomous development through Andean, South American and Latin American integration.

UNASUR objectives are:

- promoting the Member Countries balanced and harmonious development under equitable conditions through integration and economic and social cooperation;
- facilitating their participation in the regional integration process, with a view to the gradual formation of a Latin American common market;
- stepping-up their growth and job creation;
- reducing the Member Countries' external vulnerability and improving their position in the international economy;
- reinforcing subregional solidarity and reducing differences in development among the Member Countries; and
- seeking the continuing improvement of the living standards of the subregion's inhabitants.

UNASUR official web site <http://www.comunidadandina.org>