

*South of the border*

# The Andean group at the ten year mark

by Gordon Mace

In 1966, in response to a call sent out by Presidents Eduardo Frei of Chile and Carlos Lleras Restrepo of Colombia, the heads of state and government of the Andean countries — with the exception of Bolivia — met in Bogota to discuss problems connected with regional integration in Latin America. Three years after what came to be called the Little Summit of the Five Nations, Bolivia, Chile, Colombia, Ecuador and Peru signed the Cartagena Agreement, which set in motion the process of Andean sub-regional integration. Venezuela did not join the group until 1973.

On May 26, 1979, exactly ten years after the signing of the Cartagena Agreement, the heads of state of the member countries — except Chile, which withdrew from the Agreement in 1976 — met again in Cartagena to take stock and, in particular, to affirm the desire of each of the participating countries to speed up the integration process. It is, therefore, an appropriate time to look at the results of the first decade of integration in the Andean region, and at the same time to consider the future of the integration plan.

## Bogota to Cartagena

The Bogota Declaration, signed on August 16, 1966, provided for the setting up of a Joint Commission whose purpose was to create a general framework for a sub-regional integration agreement in which the Andean countries were to take part. The countries concerned were not forming a clique at Bogota and withdrawing from the Latin American Free Trade Association. They were merely criticizing the LAFTA scheme of things, which they felt was geared too much to liberalization of trade and thus brought dispropor-

tionate benefits to the three largest countries of the region — Brazil, Mexico and Argentina. They proposed for themselves a separate system which would ensure them more rapid economic progress, so that they could in time participate in LAFTA on an equal footing with the three major countries.

In the Joint Commission discussions, which went on from 1967 to the signing of the Cartagena Agreement, there were two main schools of thought. The first, championed by Chile and Colombia, put priority on the use of mechanisms for liberalization of trade. This was an entirely logical position for these two countries since, being the most developed countries in the region, they would derive greatest benefit from liberalization of trade. The other countries, however, especially Peru, opposed this concept and championed an integration process geared to mechanisms designed to promote the economic development of each country so that gradually a balance could be established between the countries in the region. As often happens in such circumstances, negotiations resulted in a compromise satisfactory to all parties. The Constitutive Treaty, a faithful copy of the final compromise, was seen, however, to give a slight edge to the free trade aspect, since liberalization would be achieved automatically but member countries would have to decide on the schedule for implementation of the mechanisms relating specifically to economic development.

## Institutions

The Andean Group's first four years were very fruitful from the point of view both of the setting up of central institutions and of the general development of the integration process. At the beginning, observers made very positive statements about the promising future of the Andean Group. This optimism seemed justified at the time, although it was based only on analyses of the economic aspects of the integration process. The future of the Andean Group, in fact, seemed more assured than that of any previous integration experiments attempted in the Third World. The most astute observers noted that the reality of the Andean Group went far beyond that of the Cartagena Agreement. The integration process would

*Dr. Mace studied at the Institut universitaire des hautes études internationales in Geneva. The Andean Group is the subject of his thesis, to be published shortly. Dr. Mace has done research and conducted interviews in Mexico City and the Andean countries. He is, at present, professor of political science at Laval University. This article reflects the author's personal opinions.*